

Council Meeting for October 5, 2020



ATTENTION

Due to the closure of City Hall to the general public, the city is working on a solution that will allow live broadcasting of City Council meetings to our residents. Starting Monday, August 31st go to the city's **Facebook** page to watch the city council meeting. Go to <https://www.facebook.com/QuincyILGovernment> The City Council meeting rebroadcast is also available on the city's website, Adams channel 19 or Comcast channel 15 within 24 hours of the meeting.

Requests to Speak

In lieu of a Request to Speak, any comments regarding a city council agenda item will need to be sent as an email with contact information to cityclerk@quincyil.gov by 11:00 a.m. the Friday before the meeting. The City Clerk's Office will make sure that the comment is read in **summary** and a full copy of the comment is provided to the city council in advance.

CITY COUNCIL AGENDA

October 5, 2020

Final Agenda

7:00 P.M.

Note: All items presented are subject to final action.

PETITION

By the following organizations requesting permission to conduct a raffle and have the bond requirement waived: Quincy Boat Club two raffles from 10/6/20 to 12/30/20 and 10/6/20 to 1/23/21 and Quincy Public Schools Foundation from 10/7/20 to 11/6/20. The City Clerk recommends approval of the permits.

MONTHLY REPORTS

REPORT OF THE ZONING BOARD OF APPEALS

Ward 4 The Zoning Board of Appeals report recommending the request to vary the fence requirement at 2101 Grove Avenue be denied, was tabled for one week by Ald. Sassen.

QUINCY FIREFIGHTERS' PENSION FUND ACTUARIAL FUNDING REPORT FOR FY ENDING 5/30/2020 AS PREPARED BY LAUTERBACH & AMEN

QUINCY POLICE PENSION FUND ACTUARIAL FUNDING REPORT FOR FY ENDING 5/30/2020 AS PREPARED BY LAUTERBACH & AMEN

PUBLIC FORUM

RESOLUTIONS

Resolution Authorizing Retaining Killis Almond Architects. (To prepare an Architectural Plan for the Washington Theater at the cost of \$70,000.for redevelopment of the theater)

Utilities and Engineering Director and Utilities Committee recommending approval of the low bid from Leander Construction, Canton, IL in the amount of \$6,098,000 for the Water Supply Improvement Project Phase 2.

Utilities and Engineering Director and Utilities Committee recommending approval of the quote of Midwest Meter, Inc., Edinburg in the amount of \$23,400 for 500 bare disk meters.

Utilities and Engineering Director and Utilities Committee recommending approval of the purchase of a 2021 International HV507 Single Axle Chassis and Stainless Steel Dump Body from Rush Truck Center in the amount of \$138,622.

Utilities and Engineering Director and Utilities Committee recommending approval of the invoice from Smith & Loveless, Inc., Lenexa, KS in the amount of \$13,007 for pump at Ellington Road Pump Station.

Utilities and Engineering Director and Utilities Committee recommending approval of the quote of Midwest Meter, Inc., Edinburg, IL in the amount of \$55,500 for 300 Badger M-25 cellular remote meter readers.

Utilities and Engineering Director and Utilities Committee recommending approval for the purchase of two 2021 Ford F-150 4 x 4 pick-up trucks from Gem City Ford in the amount totaling \$58,250 for the Water Department.

Utilities and Engineering Director and Utilities Committee recommending approval of the invoice from Richards Electric in the amount of \$24,273.12 for the emergency repair of the storm water return pumps at the Waste Water Treatment Plant.

Utilities and Engineering Director and Utilities Committee recommending approval of the invoice from Badge Meter, Milwaukee, WI in the amount of \$13,212.46 for renewal of a cellular-based automatic meter reading software.

ORDINANCES

Reconsideration of Ordinance

Ward 1 The ordinance entitled: An Ordinance Annexing Certain Territories To The City Of Quincy, Adams County, Illinois. (1700 Hamann Lane and 1708 Hamann Lane.), which was up for adoption, was requested at the September 28th council meeting on a motion made by Ald. Bergman to reconsider my vote and place the annexation ordinance on the October 5th agenda.

Ward 4 **First presentation of an ordinance entitled:**

An Ordinance Granting A Special Use Permit For A Planned Development. (2336 Oak, Operate a single-seat eyebrow salon.)

An Ordinance Amending The 2020-2021 Fiscal Year Budget. (Increased Revenues Special Capital Grant Fund #309 \$70,000.)

REPORT OF FINANCE COMMITTEE

QUINCY POLICE DEPARTMENT
MEMORANDUM

DATE: October 1, 2020
TO: Robert A. Copley, Chief of Police
FROM: Susan Vahlkamp, Records Supervisor
RE: **Monthly Report – For the Month of August 2020**

The monthly statistics are herewith provided for review and information. Totals from the previous month and for the same month from the previous year are also included for comparison purposes. Year-to-Date totals for the current and previous year with percentage differences are included along with other notable information from the department.

ITEM	August 2020	July 2020	August 2019	2020 Totals Year to Date	2019 YTD for Comparison	% Difference 2019 to 2020 YTD
Arrests – Criminal	71	174	193	958	1,420	-32.54
Arrests – Traffic	157	232	473	1,259	2,509	-49.82
Arrests – Juvenile	6	18	40	115	292	-60.62
Ordinance Violations	37	69	81	418	730	-42.74
DUI Arrests	4	6	10	37	71	-47.89
Speeding Arrests	3	8	146	69	494	-86.03
Speeding Warnings	0	15	64	115	486	-76.34
Seatbelt Arrests	3	0	35	9	168	-94.64
Seatbelt Warnings	1	1	12	18	76	-76.32
Number of Seat Belt Surveys conducted	10	10	10	80	80	N/C
Seat Belt % of Use	88.8%	87.1%	90.3%	N/A	N/A	N/A
Distracted Driving	0	6	16	23	85	-72.94
NOV's – Officers	4	1	33	79	196	-59.69
Warning Tickets – Officers	100	166	484	1,454	3,431	-57.62
Tele-serve	2	2	2	24	6	300.00
Case File Numbers (Assigned Calls)	2,414	2,969	3,585	19,969	24,398	-18.15
Case File Numbers – Animal Control	129	98	203	845	1,069	-20.95
Warnings – Animal Control	1	2	1	9	15	-40.00
NOV's – Animal Control	2	3	3	22	22	N/C
Recoveries – Animal Control	90	56	123	435	592	-26.52
Domestic Recoveries – Animal Control	49	48	91	339	445	-23.82
Wild Animal Recoveries – Animal Control	41	8	32	96	147	-34.69
Miles Driven	46,929	23,030	52,586	331,369	360,816	-8.16
Gallons Gas – QPD	3,218.88	3,455.53	3,852.08	27,392.8	29,386.65	-6.78
Gallons Gas – Animal Control	148.34	168.06	180.48	1,196.51	1,244.24	-3.87

ITEM	August 2020	July 2020	August 2019	2020 Totals Year to Date	2019 YTD for Comparison	% Difference 2019 to 2020 YTD
Accidents Investigated	101	92	85	556	705	-21.13
Injuries Resulting from Accidents	22	26	31	102	139	-26.62
Fatalities Resulting from Accidents	4	0	0	4	0	100.00
Abandoned Vehicles Tagged	12	12	11	87	147	-40.82
Abandoned Vehicles Disposed of	0	0	9	42	88	-52.27
Sick Time Taken by All Employees	209	62	128.50	1,168	974	19.92
Injury Hours Taken by All Employees	0	0	0	0	24	-100.00
Training Hours	325	474	895.25	3,678.5	7,776.13	-52.69
ProAct Community Talks/Meetings	33	54	80	334	468	-28.63
Volunteers in Policing Hours	22	90.50	88.45	307.15	795.75	-61.40
D.A.R.E. Hours	11	4	10	126	166	-24.10

Illinois Uniform Crime Reporting Program Monthly Crime Index

Index Crime Offenses									
Criminal Homicide	Forcible Rape	Robbery	Aggravated Assault/Battery	Burglary	Theft	Motor Vehicle Theft	Arson	Human Trafficking Commercial Sex Acts	Human Trafficking Involuntary Servitude
0	3	2	11	11	51	2	1	0	0
Index Crime Arrests									
Criminal Homicide	Forcible Rape	Robbery	Aggravated Assault/Battery	Burglary	Theft	Motor Vehicle Theft	Arson	Human Trafficking Commercial Sex Acts	Human Trafficking Involuntary Servitude
0	0	0	6	1	7	0	0	0	0
Drug Crime Arrests									
Violations of Cannabis Control Act	Violations of Controlled Substances Act	Violations of the Hypodermic Syringes And Needles Act	Violations of the Drug Paraphernalia Act	Violations of the Methamphetamine Act					
4	0	1	0	6					

Street Crimes Unit

Assigned Calls	Vehicle Stops	Other	Felonies	Ordinance Violations	Warrants	Traffic	Warnings
70	9	34	5	0	7	10	5

K-9 Unit

	Officer Hodges/Cody	Officer Russell/Dioji
Vehicle Sniff	8 Deployments / 7 Alerts / 5 Finds	3 Sniffs / 2 Alerts
Building Search		
Other Search		
Training Days	1	1
Demonstrations		
Other		
Tracking		1

Criminal Investigation Unit

Number of Cases Opened in the Month	Number of Cases Closed in the Month	Closed Case - Dispositions	
11	0		
Cases opened and closed are not necessarily the same cases			

(Closed case dispositions may not equal the number of closed cases due to our capturing only those Illinois Uniform Crime Reporting Clearance Codes sent to the State)

Training Hours

Class Description	
Search Warrants and Digital Evidence	
Encryption	
Basic Digital Forensic Analysis –Seizure	
ERT Monthly Training	
ERT Sniper Training	
Hazmat Annual Recertification	
ILEAS WMD/SRT Bi-Weekly Training	
LEADS Bi-Annual Recertification-Less than Full Access	
Narcotics and Street Crimes in a New Era	
Reporting and Recognizing Child Abuse and Neglect	
Roll Call News	
Training Case of the Month	
Number of Employees Trained	187
Number of Different Training Courses	12
Total Number of Training Hours	325

Awards / Accomplishments / Promotions / Appointments

Gail Newell

Gail was the vital link to the successful move and transition into our new police facility. Gail spent numerous hours and days prior to moving day preparing, labeling items and organizing the move. She directed the moving company where to take each item from the old facility to the new one. During all this time, she still had to move her own office, the office supplies, and all of the officer's equipment. Gail was also at the new Quincy Police Department over the weekend after the move finishing unpacking and organizing a large volume of equipment and storage items. Gail helped make the move a success. She is a trustworthy and hard working employee.

Monthly Highlights

From Chief Copley

- Attended City Council meetings
- Chaired weekly Commanders' meetings
- Attended the weekly department head meetings
- Attended weekly legal meetings
- Attended numerous Lexipol work group meetings

From Deputy Chief Yates

- Attending the Northwestern Center for Public Safety School of Police Staff and Command in Buffalo Grove, Illinois

From Deputy Chief Pilkington

- Attended the weekly staff meetings
- Participated in numerous Lexipol work group meetings
- Attended new QPD building meetings

From Pro-Act Unit

- Completed the coordinator's report and stats for the Upcoming Crime Stoppers Board meeting
- Attended the monthly Crime Stoppers Board meeting
- Worked on Crime Stoppers information and was available to answer phones for tips
- Taped Fugitive of the Week segments
- Updated Crime Stoppers tips
- Worked on the D.A.R.E. schedule
- Dropped off D.A.R.E. books at schools
- Attended the memorial dedication at QPD
- Taught D.A.R.E. classes

ec: All QPD Personnel
Mayor's Office
Mr. Jeff Mays, Director of Administrative Services
Ms. Jenny Hayden, City Clerk,
Ms. Laura Oakman, City Clerk's Office
Ms. Vicki Ebbing for Board of Fire and Police Commissioners
IT Department for Aldermen packets

Quincy Zoning Board of Appeals
Staff Review of Petition for 2101 Grove Avenue

Applicant/Owner or Prospective Owner	Marirose Germick
Address(es)	2101 Grove Avenue
Parcel Size(s)	84' x 140' = 11,760 square feet
Ward	4
Current Zoning	R1A (Single Family Residential)
Parcel	23-1-1769-000-00
Variance Requested	Variation from City Code (Section 162.113[g]) to allow for the construction of a fence, six-feet in height, on the street-side yard of a corner lot that is less than ten-feet from the side street right of way.



LOCATION/BACKGROUND:

The petitioner is requesting a variation from City Code [Chapter 162.113(g)], which states that on corner lots, no fence shall exceed four feet in height on the street side yard or rear yard... except that corner lots with street side yards with less than 60' of frontage may have fence, wall and screen heights six feet or less if set back from the side street right-of-way at least ten feet. The variation is being requested following the actual construction of a six-foot privacy fence (see below).



The six-foot privacy fence extends from the garage west to nearly the edge of the sidewalk, south to a point equal to a side-door of the home, and then east again to the side door of 2101 Grove Avenue. The petitioner says she constructed the privacy fence at a height of six-feet to keep her dog in the yard.

The petitioner received a building permit from the Department of Planning & Development on May 7, 2020 for construction of the fence. The petitioner provided staff a narrative describing her interactions with staff prior to, during, and after construction of the fence.

Staff identified three other properties along Division Street that are located on a corner lot and have a street-side fence along the city right-of-way. The fence at 2100 Prairie Avenue appears to be six-feet in height, which would not be allowed under the same provision of city code [Chapter 162.113(g)] due to it being located less than ten-feet from the side street right-of-way. This fence has been in place for many years. The fences at 2101 Prairie Ave. and 2030 Jersey Street is in compliance with city code because it is approximately four-feet in height.



2100 Prairie Avenue



2101 Prairie Avenue



2030 Jersey Street

STAFF COMMENTS:

City Code states that a fence variation shall only be permitted where it is found that:

- A) An exceptional or unusual physical condition of a lot, which condition, yard, given the applicable fence, sign, lot area, lot width or accessory structure size regulations, would prevent a reasonable or sensible arrangement of buildings, fences, or signs on the lot.
- B) The variation is consistent with conditions existing upon other properties in the immediate vicinity and in the same zoning district.
- C) Authorization of the variation will not be of substantial detriment to adjacent properties, and will not materially impair the intent and purpose of this subchapter or the public health, safety and general welfare.

Regarding Point A, upon reviewing 2101 Grove Avenue prior to the construction of the fence, staff does not believe that the physical condition of the subject lot itself is exceptional or unusual in such a way that it would prevent a reasonable or sensible arrangement of buildings, fences, or signs on the lot. By moving the western portion of the fence ten feet to the east (closer to the home), it would simply reduce the size of space within the fence, not alter the integrity of the property.

Regarding Point B, as was stated before, staff identified two other lots with fences along the sidewalk within several hundred feet of the subject lot. One fence is approximately 4' in height, which is allowed by city code. The other fence appears to be six-feet in height, which would not be allowed by city code given its proximity to the sidewalk.

Regarding Point C, staff believes that the current construction of the fence could impair the public health, safety and general welfare of the neighborhood. The height and location of the fence could make it extremely difficult to view someone on the sidewalk or driving down Division Street while exiting the driveway at 2101 Grove Avenue. The lack of visibility around the fence is quite worrisome to staff.

The Planning & Development Department has informed the petitioner that the fence, as constructed, violates the city's zoning rules. The department informed the petitioner that the options were to seek a variance from the ZBA, to trim the height of the fence to 4', or to move the fence ten-feet off of the right-of-way as the code requires.

STAFF RECOMMENDATION:

Staff recommends the Zoning Board of Appeals deny the requested variance to allow for the construction of a fence, six-feet in height, on the street-side yard of a corner lot that is less than ten-feet from the side street right-of-way.



City of Quincy

706 Maine Street
City Hall Annex



FENCE PERMIT

Permit No: 2020-4514
For Work At: 2101 GROVE AVE
Tenant:

Issued: 5/7/2020

Description of Permitted Work:
6' PRIVACY FENCE - SIDE / REAR YARD

Owner:
MERIROSE J GERMICK
2101 GROVE AVE
Quincy IL 62301

Contractor:
HICKMAN CONSTRUCTION

Michael Seaver, Building Official
Director of Inspection and Enforcement

PLEASE CALL FOR INSPECTIONS 217-228-4515
POST THIS CARD AT OR NEAR THE FRONT OF THE BUILDING

No Structure may be used or occupied without first obtaining an occupancy permit. This permit is void if work is not started within 6 months or work is abandoned for any 6 month period. Stamped plans must be on job at all inspections.

City of Quincy

RECEIPT DATE: 5/7/2020

RECEIPT NO.: 5504

CASHIER: mseaver

Fee Paid	Amount
Fee - Fence - FFENCE Job ID: 2020-4514 - 6' PRIVACY FENCE - SIDE / REAR YARD 2101 GROVE AVE Check # 860 \$50.00 GERMICK, MERIROSE	\$50.00
TOTAL AMOUNT DUE:	\$50.00

Tender Information	
TOTAL CASH:	\$0.00
TOTAL CHECK:	\$50.00
TOTAL CR CARD:	\$0.00
TOTAL TENDERED AMOUNT:	\$50.00
TOTAL CHANGE DUE:	\$0.00

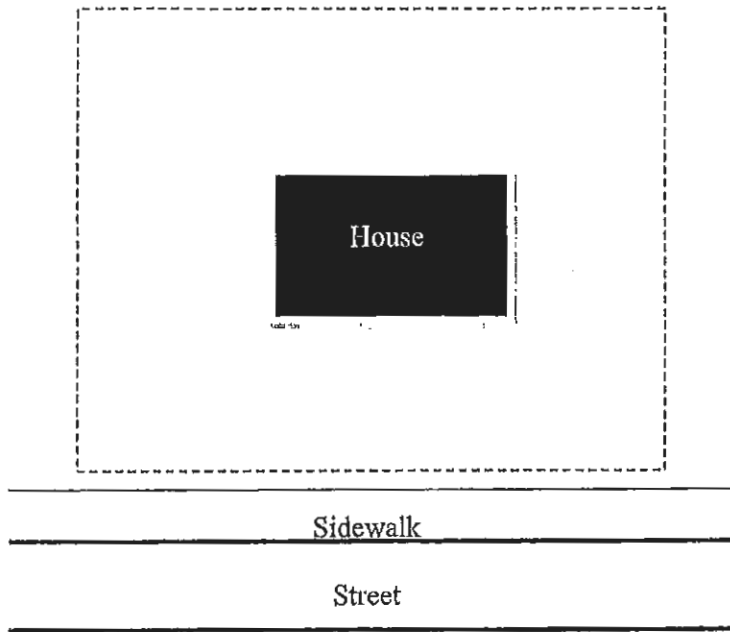
*** Thank You For Your Payment ***

Fence Placement Worksheet

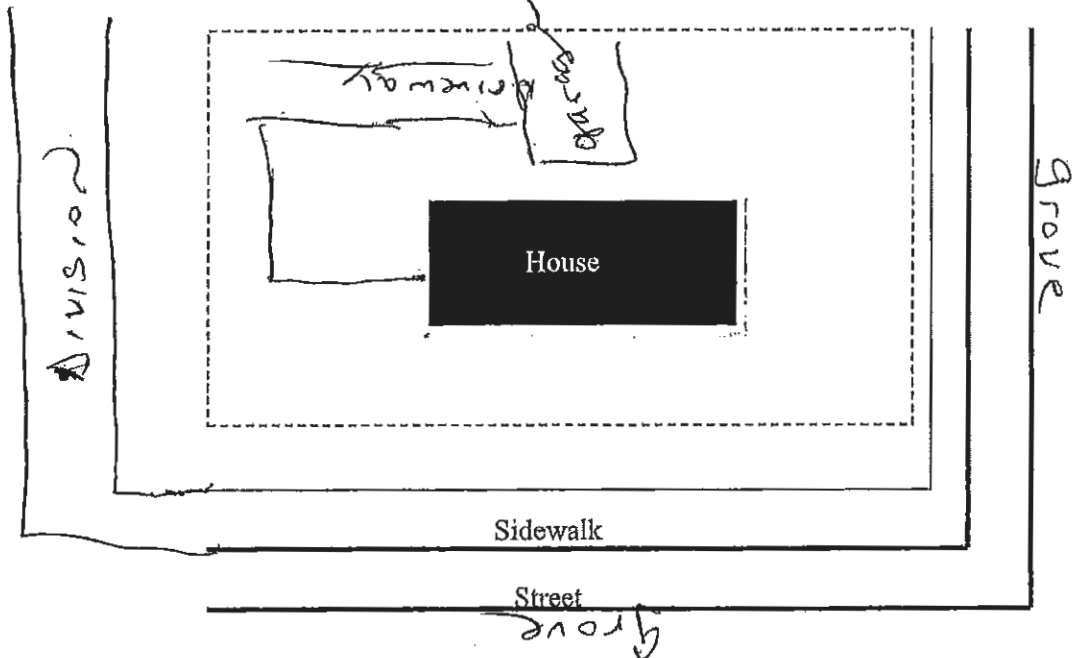
Instructions:

1. Select the "Interior Lot" or "Corner Lot" diagram below, whichever better represents the configuration of the lot upon which the fence is to be constructed.
2. Sketch the location of the proposed fence on the appropriate diagram.
3. Indicate height of fence. Do this for each different fence height proposed for the project.
4. Indicate distances from property lines and Rights-of-Way.

Interior Lot



Corner Lot



2101 Grove Ave.



2101 Grove Ave.



CITY OF QUINCY

DEPARTMENT OF PLANNING & DEVELOPMENT

OFFICE OF INSPECTION

706 Maine Street | Third Floor | Quincy, IL 62301

Office: 217-228-4540 | Fax: 217-221-2288



June 23, 2020

Ms. Marirose Germick
2101 Grove Ave.
Quincy, IL 62301

Re: Fence permit #2020-4514

Dear Ms. Germick:

On 6/23/2020 I observed the subject site and the fence that was constructed under the above-referenced permit.

The installation does comply with Section 162.113(G): On corner lots, wall and screen heights of six feet or less shall be set back from the side street right-of-way at least ten feet.

It appears the fence that was constructed is located at or near the right-of-way; it should be relocated approximately ten feet east of where it is presently located, lowered to a height of four (4) feet where the fence exists in the ten foot setback, or seek a variance from the Board of Zoning Appeals.

Please contact me if you wish to discuss this matter or have any questions. My regular business hours are 8:00 am to 4:30 pm. Thank you for your attention to this matter.

Sincerely, / / . . .

Michael Seaver, C.B.O.
Director of Inspection and Enforcement
City of Quincy



CITY OF QUINCY

Comptroller's Office

Sheri L. Ray
Comptroller

CITY HALL – 730 MAINE STREET
Quincy, Illinois 62301-4056
217-228-4517

MEMORANDUM

TO: Mayor and City Council
FROM: Sheri Ray
DATE: October 2, 2020
SUBJECT: Pension Actuarial Valuation as of 5/1/2020

Lauterbach and Amen was engaged to prepare the City's pension fund actuarial valuation reports for both the Fire and Police Pension funds as of fiscal year ending 4/30/2020. The reports have been issued and I have submitted the attached to the City Clerk for filing:

- Fire Pension Actuarial Valuation Report as of 5/1/2020
- Police Pension Actuarial Valuation as of 5/1/2020.

These reports state both the Recommended Contribution which is based on 100% funding over the remaining 19 years and the Illinois Statutory Minimum Contribution which is based on 90% funding over 20 years. The Annual Required Contributions are as follows:

	FY 2022 <u>ARC 100%</u>	FY 2022 <u>Stat Min 90%</u>	FY 2021 <u>Contribution</u>	Inc Over <u>FY 2021</u>
Fire	\$4,822,000	\$4,051,587	\$3,758,472	
Police	\$4,404,948	\$3,569,231	\$3,347,931	
Total	\$9,226,948	\$7,620,818	\$7,106,403	\$514,415
Increase	\$ 985,910	\$ 824,315		

The Illinois Department of Insurance recommended ARC was used for the current year and we expect the IDOI valuation to be available in the upcoming months. If you have any questions, please feel free to contact me.

CC: Lonnie Dunn, Corporation Counsel
City Clerk Jenny Hayden
DOAS, Jeff Mays
Fire Pension Board
Police Pension Board

Actuarial Funding Report



QUINCY FIREFIGHTERS'
PENSION FUND

Actuarial Valuation
as of May 1, 2020

For the Contribution Year May 1, 2020 to April 30, 2021

LAUTERBACH & AMEN, LLP

Actuarial Valuation – Funding Recommendation



Lauterbach & Amen, LLP

CERTIFIED PUBLIC ACCOUNTANTS

QUINCY FIREFIGHTERS' PENSION FUND

Contribution Year Ending: April 30, 2021

Actuarial Valuation Date: May 1, 2020

Utilizing Data as of April 30, 2020

Submitted by:

Lauterbach & Amen, LLP
668 N. River Road
Naperville, IL 60563
Phone: 630.393.1483
www.lauterbachamen.com

Contact:

Todd A. Schroeder
Director
September 23, 2020

LAUTERBACH & AMEN, LLP



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ACTUARIAL CERTIFICATION

This report documents the results of the Actuarial Valuation for the Quincy Firefighters' Pension Fund. The information was prepared for use by the Quincy Firefighters' Pension Fund and the City of Quincy, Illinois for determining the Recommended Contributions, under the selected Funding Policy and Statutory Minimum guidelines, for the Contribution Year May 1, 2020 to April 30, 2021. It is not intended or suitable for other purposes. Determinations for purposes other than the Employer's Actuarial Recommended Contribution may be significantly different from the results herein.

The results in this report are based on the census data and financial information submitted by the City of Quincy, Illinois, and may include results from the prior Actuary. We did not prepare the Actuarial Valuations for the years prior to May 1, 2019. Those valuations were prepared by the prior Actuary whose reports have been furnished to us, and our disclosures are based on those reports. An audit of the prior Actuary's results was not performed, but high-level reviews were completed for general reasonableness, as appropriate, based on the purpose of this valuation. The accuracy of the results is dependent on the precision and completeness of the underlying information.

In addition, the results of the Actuarial Valuation involve certain risks and uncertainty as they are based on future assumptions, market conditions, and events that may never materialize as assumed. For this reason, certain assumptions and future results may be materially different than those presented in this report. See the *Management Summary* section of this report for a more detailed discussion of the Defined Benefit Plan Risks, as well as the limitations of this Actuarial Valuation on assessing those risks. We are not aware of any known events subsequent to the Actuarial Valuation Date, which are not reflected in this report but should be valued, that may materially impact the results.

The valuation results summarized in this report involve actuarial calculations that require assumptions about future events. The City of Quincy, Illinois selected certain assumptions, while others were the result of guidance and/or judgment from the Plan's Actuary or Advisors. We believe that the assumptions used in this valuation are reasonable and appropriate for the purposes for which they have been used. The selected assumptions represent our best estimate of the anticipated long-term experience of the Plan, and meet the guidelines set forth in the Actuarial Standards of Practice.





To the best of our knowledge, all calculations are in accordance with the applicable funding requirements, and the procedures followed and presentation of results conform to generally accepted actuarial principles and practices as prescribed by the Actuarial Standards Board. The undersigned consultants of Lauterbach & Amen, LLP, with actuarial credentials, meet the Qualification Standards of the American Academy of Actuaries to render this Actuarial Certification. There is no relationship between the City of Quincy, Illinois and Lauterbach & Amen, LLP that impairs our objectivity.

Respectfully Submitted,
LAUTERBACH & AMEN, LLP

Todd A. Schroeder, ASA, FCA, EA, MAAA

Robert L. Rietz, Jr., FCA, EA, MAAA





MANAGEMENT SUMMARY

Recommended Contribution

Funded Status

Management Summary – Comments and Analysis

Actuarial Recommended Contribution – Reconciliation

MANAGEMENT SUMMARY

RECOMMENDED CONTRIBUTION

	Prior Valuation	Current Valuation
Recommended Contribution	\$4,358,286	\$4,822,000
Expected Payroll	\$4,316,777	\$4,468,220
Recommended Contribution as a Percent of Expected Payroll	100.96%	107.92%

*The Recommended
Contribution has
Increased by
\$463,714 from the
Prior Valuation.*

FUNDED STATUS

	Prior Valuation	Current Valuation
Normal Cost	\$1,252,649	\$1,298,836
Market Value of Assets	\$34,610,580	\$34,554,361
Actuarial Value of Assets	\$33,642,031	\$35,515,960
Actuarial Accrued Liability	\$82,808,036	\$88,764,558
Unfunded Actuarial Accrued Liability	\$49,166,005	\$53,248,598
Percent Funded		
Actuarial Value of Assets	40.63%	40.01%
Market Value of Assets	41.80%	38.93%

*The Percent
Funded has
Decreased by
0.62% on an
Actuarial Value of
Assets Basis.*



MANAGEMENT SUMMARY

MANAGEMENT SUMMARY – COMMENTS AND ANALYSIS

Contribution Results

The Recommended Contribution is based on the selected Funding Policy and methods that are outlined in the *Actuarial Funding Policies* section of this report.

The Illinois State Statutes for Pension Funds contain parameters that are used to determine the Statutory Minimum Contribution to a public Pension Fund. Those parameters and the resulting Statutory Minimum Contribution are found in the *Illinois Statutory Minimum Contribution* section of this report.

“Contribution Risk” is defined by the Actuarial Standards of Practice as the potential for actual future contributions to deviate from expected future contributions. For example, when actual contributions are not made in accordance to the Plan’s Funding Policy, or when future experience deviates materially from assumed. While it is essential for the Actuary and Plan Sponsor to collaborate on implementing a sound and financially feasible Funding Policy, it is important to note that the Actuary is not required, and is not in the position to, evaluate the ability or willingness of the Plan Sponsor to make the Recommended Contribution under the selected Funding Policy.

As a result, while Contribution Risk may be a significant source of risk for the Plan, this Actuarial Valuation makes no attempt to assess the impact of future contributions falling short of those recommended under the selected Funding Policy. Notwithstanding the above, see the *Actuarial Recommended Contribution – Reconciliation* section of this report for the impact on the current Recommended Contribution of any contribution shortfalls or excesses from the prior year.

Defined Benefit Plan Risks

Asset Growth:

Pension funding involves preparing Fund assets to pay for benefits when Members retire. During their working careers, assets grow with contributions and investment earnings; and then, the Pension Fund distributes assets in retirement. Based on the Plan’s current mix of Members and Funded Status, the Plan should experience positive asset growth, on average, if the Recommended Contributions are made and expected investment earnings come in. In the current year, the Fund asset growth was negative by approximately \$56,000.

Asset growth is important in the long-term. Long-term cash flow out of the Pension Fund is primarily benefit payments, and expenses are a smaller portion. The Plan should monitor the impact of expected benefit payments on future asset growth. In the next 5 years, benefit payments are anticipated to increase 25-30%, or approximately \$1,100,000. In the next 10 years, the expected increase in benefit payments is 55-60%, or approximately \$2,300,000. The estimated increases in benefit payments are based on the benefits paid to inactive Members during the current year, and does not include any refunds of Member Contributions.



MANAGEMENT SUMMARY

Furthermore, Plans' with a large number of inactive Members have an increased "Longevity Risk". Longevity Risk is the possibility that inactive Members may live longer than projected by the Plan's mortality assumption. As shown in the previous paragraph, benefit payments are expected to increase over the next 5-year and 10-year horizons. The projected increases assume that current inactive Members pass away according to the Plan's mortality assumption. To the extent that current inactive Members live longer than expected, the future 5-year and 10-year benefit projections may be larger than the amounts disclosed in the previous paragraph. Higher levels of benefit payments, payable for a longer period of time, may cause a significant strain to the Plan's cash flow, future Recommended Contributions, and may lead to Plan insolvency.

Unfunded Liability:

Unfunded Liability represents the financial shortfall of the Actuarial Value of Assets compared to the Actuarial Accrued Liability. To the extent that Unfunded Liability exists, the Plan is losing potential investment earnings due to the financial shortfall. Contributions towards Unfunded Liability pay for the lost investment earnings, as well as the outstanding unfunded amount. If payments towards Unfunded Liability are not made, the Unfunded Liability will grow.

In the early 1990s, many Pension Funds in Illinois adopted an increasing payment towards Unfunded Liability due to a change in legislation. The initial payment decreased, and future payments are anticipated to increase annually after that. In many situations, payments early on were less than the interest on Unfunded Liability, which means that Unfunded Liability increased even though contributions were made at the recommended level.

The current Recommended Contribution includes a payment towards Unfunded Liability that is approximately \$430,000 greater than the interest on Unfunded Liability. All else being equal, and contributions being made, Unfunded Liability is expected to decrease. The Employer and Fund should anticipate that improvement in the current Percent Funded will be mitigated in the short-term. The Employer and Fund should understand this impact as we progress forward to manage expectations.

Actuarial Value of Assets:

The Pension Fund smooths asset returns that vary from expectations over a 5-year period. The intention is that asset returns for purposes of funding recommendations are a combination of several years. The impact is intended to smooth out the volatility of Recommended Contributions over time, but not necessarily increase or decrease the level of contributions over the long-term.

When asset returns are smoothed, there are always gains or losses on the Market Value of Assets that are going to be deferred for current funding purposes, and recognized in future years. Currently, the Pension Fund is deferring approximately \$960,000 in losses on the Market Value of Assets. These are asset losses that will be recognized in upcoming periods, independent of the future performance of the Market Value of Assets.



MANAGEMENT SUMMARY

Cash Flow Risk:

Assets, liabilities, and Funded Status are good metrics to monitor over time to assess the progress of the Funding Policy. However, these metrics may provide limited forward-looking insights. Specifically, the maturity of a Pension Fund can pose certain risks that often cannot be assessed with a point-in-time metric such as Percent Funded.

For example, two different Pension Funds could have the same Percent Funded, but have completely different risk profiles. One Fund might mostly cover active Members with little to no Members in pay status, whereas a second Fund might mostly cover inactive Members with a significant level of annual benefit payments. The latter Fund has a greater “Cash Flow Risk”, i.e. a more significant chance that negative cash flows could lead to a deteriorating, rather than improving, Percent Funded over time.

It is important to note that, in general, positive net cash flows are good, but also need to be sufficient to cover the growth in the liabilities (i.e. the Normal Cost as well as interest on the Actuarial Accrued Liability). Typically, when cash flows are assumed to be insufficient to cover the growth in liabilities, the Percent Funded will decline, while future Recommended Contributions will increase.

For this Plan, the Market Value of Assets is less than the Actuarial Accrued Liability for inactive Members. The Fund assets and anticipated investment earnings are not sufficient to cover the benefits payable to the current inactive Members. In addition, there is currently no money set aside for active Member liability. There are two consequences. First, we are limiting the impact of investment earnings on accruing money for the active Members due to utilizing those dollars to pay for the current inactive Members. Second, there is Cash Flow Risk that exists in that a higher portion of the assets is needed to keep up with cash flow out for benefit payments, and a higher relative investment return is required to keep cash flow positive in any given year.

Benefit Payment Risk:

Ideally, Plans’ in a sound financial position will have the ratio of annual benefits payments to the Market Value of Assets to be less than the Expected Rate of Return on Investments assumption (i.e. 6.50%). Theoretically, in this case it can be considered that investment returns will fully cover the annual benefit payments, and therefore, all Employer and Member Contributions made to the Fund will be used to pay for future benefit accruals and pay down the existing Unfunded Liability. To the extent that the ratio of the annual benefit payments to the Market Value of Assets increases to above the Expected Rate of Return on Investments assumption, the Plan may experience some additional risks, such as the need to keep assets in more liquid investments, inability to pay down Unfunded Liability, and may lead to Plan insolvency.



MANAGEMENT SUMMARY

As of the Valuation Date, the Quincy Firefighters' Pension Fund has a ratio of benefit payments to the Market Value of Assets of 11.80%. In this case, a portion of the Employer Contributions are being used to pay the annual benefit payments creating Benefit Payment Risk and Cash Flow Risk. The Percent Funded of the Plan may not grow as quickly as expected under the current Funding Policy, since the amortization payment towards the Unfunded Liability is not being fully realized. As shown in the *Asset Growth* section of this report, the 5-year and 10-year horizons of future benefit payments are expected to increase. The Plan Sponsor should monitor the percentage of annual benefit payments to the Market Value of Assets and consider changing the Funding Policy if this ratio continues to increase.

Fund Assets

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

The current Fund assets are unaudited.

The Actuarial Value of Assets under the Funding Policy is equal to the Market Value of Assets, with unexpected gains and losses smoothed over 5 years. More detail on the Actuarial Value of Assets can be found in the *Actuarial Funding Policies* section of this report.

*The Fund
Assets Used in
this Report
are Audited.*



MANAGEMENT SUMMARY

Demographic Data

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

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

“Demographic Risk” occurs when Plan demographic experience differs significantly from expected. Similar to Longevity Risk discussed previously, additional risk is created when demographic experience differs from the assumed rates of disability, retirement, or termination. Under the chosen assumptions, actuarial gains and/or losses will always occur, as the assumptions will never be exactly realized. However, the magnitude of the gain and/or loss and its influence on the Recommended Contribution largely depends on the size of the Plan.

Based on the number of active Members in the Plan, the Recommended Contribution has a low risk of having a significant increase due to demographic experience. For example, 1 new disabled Member would typically generate a substantial increase to the Actuarial Accrued Liability. However, due to the size of the Plan, there is an appropriate means to absorb demographic losses without causing a significant increase to the Recommended Contribution.

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

New Hires: There was 1 Member of the Fund who was hired during the year. When a Member is admitted to the Pension Fund, the Employer Contribution will increase to reflect the new Member. The increase in the Recommended Contribution in the current year due to the new Member experience is approximately \$4,100.

Retirement: There was 1 Member of the Fund who retired during the year. When a Member retires, the Normal Cost will decrease. Any change in the Actuarial Accrued Liability will be considered when determining the amount to pay towards Unfunded Liability each year. The decrease in the Recommended Contribution in the current year due to the retirement experience is approximately \$13,000.

Mortality: There was 1 retiree who passed away during the year. Also, there was 1 surviving spouse who passed away during the year. When a retiree passes away, the Fund liability will decrease as the Pension



MANAGEMENT SUMMARY

Fund no longer will make future payments to the retiree. If there is an eligible surviving spouse, the Fund liability will increase to represent the value of the expected payments that will be made to the spouse.

As inactive Members age and continue to collect benefits, the Fund liability will also increase. In the current year, there were 85 inactive Members who maintained their benefit collection status throughout the year. The net increase in the Recommended Contribution in the current year due to the mortality experience is approximately \$45,000.

Salary Increases: Salary increases were greater than anticipated in the current year. Approximately 1/3 of all active Members received an increase of 4.00% or greater. This caused an increase in the Recommended Contribution in the current year of approximately \$500.

Assumption Changes

We performed a comprehensive study of Firefighters and Firefighter Pension Funds in Illinois. We reviewed the results of the study as well as the demographic experience of the Fund. The actuarial assumptions were changed in the current valuation to the rates shown in the *Actuarial Assumptions* section of this report. The assumptions impacted include:

- Inflation Rate (CPI-U)
- Individual Pay Increases
- Retirement Rates
- Termination Rates
- Disability Rates
- Mortality Rates
- Mortality Improvement Rates

In the current valuation, we have updated the marital assumption for retiree and disabled Members to the actual spousal data.

The above stated assumption changes were made to better reflect the future anticipated experience of the Fund. See the table on the following page for the impact of these changes on the current valuation.

Funding Policy Changes

The Funding Policy was not changed from the prior valuation.

Plan Changes

In the current valuation, we have updated the Plan benefit changes under PA-101-0610 (SB 1300), which went into effect on January 1, 2020. These legislative changes reflect modifications to the Tier II Plan Provisions. A summary of the changes is available upon request. The *Summary of Principal Plan Provisions* section of this report has the updated Plan Provisions.



MANAGEMENT SUMMARY

ACTUARIAL RECOMMENDED CONTRIBUTION – RECONCILIATION

Actuarial Accrued Liability is expected to increase each year for both interest for the year and as active Members earn additional service years towards retirement. Similarly, Actuarial Accrued Liability is expected to decrease when the Fund pays benefits to inactive Members.

Contributions are expected to increase as expected pay increases under the Funding Policy for the Fund.

	Actuarial Liability	Recommended Contribution
Prior Valuation	\$ 82,808,036	\$ 4,358,286
Expected Changes	2,439,959	141,644
Initial Expected Current Valuation	\$ 85,247,995	\$ 4,499,931

Other increases or decreases in Actuarial Accrued Liability (key changes noted below) will increase or decrease the amount of Unfunded Liability in the Plan. To the extent that Unfunded Liability increases or decreases unexpectedly, the contribution towards Unfunded Liability will also change unexpectedly.

	Actuarial Liability	Recommended Contribution
Salary Increases Greater than Expected	\$ 11,092	\$ 331
Demographic Changes	741,301	17,926
Assumption Changes	2,667,966	202,864
Plan Changes	96,204	32,406
Asset Return Less than Expected*	-	9,368
Contributions Less than Expected	-	59,175
Total Actuarial Experience	\$ 3,516,563	\$ 322,069
Current Valuation	\$ 88,764,558	\$ 4,822,000

*The impact on the Recommended Contribution due to asset return is on an Actuarial Value of Assets basis.

Key demographic changes were discussed in the *Demographic Data* section of this report.





VALUATION OF FUND ASSETS

Market Value of Assets
Market Value of Assets (Gain)/Loss
Development of the Actuarial Value of Assets
Actuarial Value of Assets (Gain)/Loss
Historical Asset Performance

VALUATION OF FUND ASSETS

MARKET VALUE OF ASSETS

Statement of Assets

	Prior Valuation	Current Valuation
Cash and Cash Equivalents	\$ 46,743	\$ -
Money Market	-	417,829
Fixed Income	-	13,508,831
Certificates of Deposits	32,300,752	-
Stock Equities	-	17,586,492
Mutual Funds	-	2,986,140
Receivables (Net of Payables)	2,263,085	55,069
Total Market Value of Assets	\$ 34,610,580	\$ 34,554,361

The Total Market Value of Assets has Decreased by Approximately \$56,200 from the Prior Valuation.

Statement of Changes in Assets

Total Market Value of Assets - Prior Valuation	\$ 34,610,580
Plus - Employer Contributions	3,537,670
Plus - Member Contributions	418,471
Plus - Return on Investments	52,730
Less - Benefit Payments and Refunds	(4,077,115)
Less - Other Expenses	(32,517)
Prior Period Audit Adjustment	44,542
Total Market Value of Assets - Current Valuation	\$ 34,554,361

The Rate of Return on Investments on a Market Value of Assets Basis for the Fund was Approximately 0.06% Net of Administrative Expense.

The Rate of Return on Investments shown above has been determined as the Return on Investments from the Statement of Changes in Assets, as a percent of the average of the prior and current Market Value of Assets. The Rate of Return on Investments is net of Other Expenses, and has been excluded from the Total Market Value of Assets at the end of the Fiscal Year for this calculation.



VALUATION OF FUND ASSETS

MARKET VALUE OF ASSETS (GAIN)/LOSS

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

Total Market Value of Assets - Prior Valuation	\$ 34,610,580
Employer and Member Contributions	3,956,141
Benefit Payments and Refunds	(4,077,115)
Expected Return on Investments	<u>2,245,756</u>
Initial Expected Total Market Value of Assets - Current Valuation	\$ 36,735,362
Prior Period Audit Adjustment	44,542
Expected Total Market Value of Assets - Current Valuation	36,779,904
Actual Total Market Value of Assets - Current Valuation	<u>34,554,361</u>
Current Market Value of Assets (Gain)/Loss	<u><u>\$ 2,225,543</u></u>
Expected Return on Investments	\$ 2,245,756
Actual Return on Investments (Net of Expenses)	<u>20,213</u>
Current Market Value of Assets (Gain)/Loss	<u><u>\$ 2,225,543</u></u>

*The Actual
Return on
Investments on a
Market Value of
Assets Basis was
Less than
Expected for the
Current Year.*

The (Gain)/Loss on the current Market Value of Assets has been determined based on the Expected Rate of Return on Investments as shown in the *Actuarial Assumptions* section of this report.



VALUATION OF FUND ASSETS

DEVELOPMENT OF THE ACTUARIAL VALUE OF ASSETS

Total Market Value of Assets - Current Valuation		\$ 34,554,361
Adjustment for Prior (Gains)/Losses		
	<u>Full Amount</u>	
FYE 2020	\$ 2,225,543	1,780,434
FYE 2019	(246,731)	(148,039)
FYE 2018	(1,157,601)	(463,040)
FYE 2017	(1,038,782)	(207,756)
Total Deferred (Gain)/Loss		<u>961,599</u>
Initial Actuarial Value of Assets - Current Valuation		\$ 35,515,960
Less Contributions for the Current Year and Interest		-
Less Adjustment for the Corridor		-
Total Actuarial Value of Assets - Current Valuation		<u>\$ 35,515,960</u>

The Actuarial Value of Assets is Equal to the Market Value of Assets with Unanticipated (Gains)/Losses Recognized Over 5 Years. The Actuarial Value of Assets is 102.78% of the Market Value of Assets.

ACTUARIAL VALUE OF ASSETS (GAIN)/LOSS

Total Actuarial Value of Assets - Prior Valuation		\$ 33,642,031
Plus - Employer Contributions		3,537,670
Plus - Member Contributions		418,471
Plus - Return on Investments		1,982,878
Less - Benefit Payments and Refund		(4,077,115)
Less - Other Expenses		(32,517)
Prior Period Audit Adjustment		<u>44,542</u>
Total Actuarial Value of Assets - Current Valuation		<u>\$ 35,515,960</u>

The Rate of Return on Investments on an Actuarial Value of Assets Basis for the Fund was Approximately 5.80% Net of Administrative Expense.

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



VALUATION OF FUND ASSETS

HISTORICAL ASSET PERFORMANCE

The chart below shows the historical Rates of Return on Investments for both Market Value of Assets and Actuarial Value of Assets.

	<u>Market Value of Assets</u>	<u>Actuarial Value of Assets</u>
FYE 2020	0.06%	5.80%
FYE 2019	7.26%	7.08%

The historical Rates of Return on Investments shown above were calculated based on the annual Return on Investments, as a percentage of the average value of the assets for the year.

For purposes of determining the average value of assets for the year, the ending Market Value of Assets has been adjusted to net out to the portion related to the Return on Investments themselves. All other cash flows are included.

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

The adjustments we made are for actuarial reporting purposes only. By netting out Administrative Expenses and capturing Return on Investments that are available to pay benefits, it provides us a comparison to the Expected Rate of Return on Investments, but does not provide a figure that would be consistent with the rates of return that are determined by other parties. Therefore, this calculated Return on Investments should not be used to analyze investment performance of the Fund or the performance of the investment professionals.



VALUATION OF FUND ASSETS

Expected Rate of Return on Investments Assumption

The Expected Rate of Return on Investments for this valuation is 6.50%. Lauterbach & Amen, LLP does not provide investment advice. We look at a variety of factors when reviewing the Expected Rate of Return on Investments assumption selected by the Board. These factors include: historical Rates of Return on Investments, capital market projections performed by the Fund's investment advisors, the Fund's investment policy, capital market forward-looking benchmark expected returns by independent investment companies, rates used by comparable pension systems, and other factors identified in the Actuarial Standards of Practice.

Generally speaking, the ideal assumption for Expected Rate of Return on Investments is one that has a 50% chance of being met over the long-term. If actual returns going forward come in less than expected, the pension system risks deferring contributions to the future that should be made today, and creating additional contribution volatility.

“Investment Risk” is the potential that actual Return on Investments will be different from what is expected. The selected Expected Rate of Return on Investments assumption is chosen to be a long-term assumption, producing a return that, on average, would produce a stable rate of return over a long-term horizon. Actual asset returns in the short-term may deviate from this long-term assumption due to current market conditions. Furthermore, establishing the Expected Rate of Return on Investments assumption may be dependent on the Illinois State Statutes pertaining to the limitations on types of investments Plan Sponsors may use. If the actual annual rates of return are less than the Expected Rate of Return on Investments, actuarial losses will be produced, thus increasing the Plan's Unfunded Liability and, subsequently, future Recommended Contributions.

“Asset/Liability Mismatch” risk is a similar concept as Investment Risk, as it relates to setting the Expected Rate of Return on Investments assumption compared to the actual Return on Investments achieved. The Interest Rate used to discount future Plan liabilities is set equal to the Expected Rate of Return on Investments. It is expected that the selected Interest Rate be a rate that is reasonably expected to be achieved over the long-term. To the extent that the selected Interest Rate to value Plan liabilities is unreasonable, or significantly different than the actual Return on Investments earned over an extended period of time, additional Interest Rate risk is created. For example, determining Plan liabilities at an Interest Rate higher than what is expected to be achieved through investment returns results in Unfunded Liability that is not a true representation of the Plan's condition and Percent Funded. As a result, the Actuarial Accrued Liability determined is an amount smaller than the liability that would be produced with an Interest Rate more indicative of future Expected Rate of Return on Investments. Therefore, the Recommended Contributions under the established Funding Policy may not be sufficient to appropriately meet the true pension obligations.





RECOMMENDED CONTRIBUTION DETAIL

Actuarial Accrued Liability
Funded Status
Development of the Employer Normal Cost
Normal Cost as a Percentage of Expected Payroll
Recommended Contribution
Schedule of Amortization – Unfunded Actuarial Accrued Liability
Actuarial Methods – Recommended Contribution

RECOMMENDED CONTRIBUTION DETAIL

ACTUARIAL ACCRUED LIABILITY

	Prior Valuation	Current Valuation
Active Members	\$ 26,048,985	\$ 28,163,603
Inactive Members		
Terminated Members - Vested	73,990	80,212
Retired Members	43,635,159	46,817,287
Disabled Members	9,728,702	10,493,114
Other Beneficiaries	3,321,200	3,210,342
Total Inactive Members	56,759,051	60,600,955
Total Actuarial Accrued Liability	\$ 82,808,036	\$ 88,764,558

The Total Actuarial Accrued Liability has Increased by Approximately \$5,957,000 from the Prior Valuation.

FUNDED STATUS

	Prior Valuation	Current Valuation
Total Actuarial Accrued Liability	\$ 82,808,036	\$ 88,764,558
Total Actuarial Value of Assets	33,642,031	35,515,960
Unfunded Actuarial Accrued Liability	\$ 49,166,005	\$ 53,248,598
Total Market Value of Assets	\$ 34,610,580	\$ 34,554,361
Percent Funded		
Actuarial Value of Assets	<u>40.63%</u>	<u>40.01%</u>
Market Value of Assets	<u>41.80%</u>	<u>38.93%</u>

The Percent Funded as of the Actuarial Valuation Date is Subject to Volatility on Assets and Liability in the Short-Term.



RECOMMENDED CONTRIBUTION DETAIL

DEVELOPMENT OF THE EMPLOYER NORMAL COST

	Prior Valuation	Current Valuation
Total Normal Cost	\$ 1,252,649	\$ 1,298,836
Estimated Member Contributions	(408,151)	(422,470)
Employer Normal Cost	<u>\$ 844,498</u>	<u>\$ 876,366</u>

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

NORMAL COST AS A PERCENTAGE OF EXPECTED PAYROLL

	Prior Valuation	Current Valuation
Expected Payroll	\$ 4,316,777	\$ 4,468,220
Member Normal Cost Rate	<u>9.455%</u>	<u>9.455%</u>
Employer Normal Cost Rate	<u>19.56%</u>	<u>19.61%</u>
Total Normal Cost Rate	<u>29.02%</u>	<u>29.07%</u>

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

RECOMMENDED CONTRIBUTION

	Prior Valuation	Current Valuation
Employer Normal Cost*	\$ 899,390	\$ 933,330
Amortization of Unfunded Accrued Liability/(Surplus)	3,458,896	3,888,670
Recommended Contribution	<u>\$ 4,358,286</u>	<u>\$ 4,822,000</u>

*The
Recommended
Contribution has
Increased by
10.64% from the
Prior Valuation.*

*Employer Normal Cost Contribution includes interest through the end of the Fiscal Year.



RECOMMENDED CONTRIBUTION DETAIL

SCHEDULE OF AMORTIZATION – UNFUNDED ACTUARIAL ACCRUED LIABILITY

Below is the schedule of remaining amortization balances for the Unfunded Liability.

Unfunded Liability Base	Initial Balance	Date Established	Current Balance	Years Remaining	Payment
Investment (Gain)/Loss	\$ 128,285	4/30/2020	\$ 128,285	19	\$ 9,368
Actuarial (Gain)/Loss	1,602,338	4/30/2020	1,602,338	19	117,017
Contribution Experience	(149,095)	4/30/2020	(149,095)	19	(10,888)
Assumption Changes	2,667,966	4/30/2020	2,667,966	19	194,838
Plan Changes	96,204	4/30/2020	96,204	19	7,026
Investment (Gain)/Loss	(275,242)	4/30/2019	(273,769)	19	(19,993)
Actuarial (Gain)/Loss	223,464	4/30/2019	222,268	19	16,232
Contribution Experience	(189,922)	4/30/2019	(188,906)	19	(13,796)
Assumption Changes	4,227,419	4/30/2019	4,204,796	19	307,070
Initial Unfunded Liability	<u>\$ 45,180,286</u>	4/30/2019	<u>\$ 44,938,510</u>	19	<u>\$ 3,281,796</u>
 Total	 <u>\$ 53,511,704</u>		 <u>\$ 53,248,598</u>		 <u>\$ 3,888,670</u>

The Actuarial (Gain)/Loss can be attributable to several factors including demographic changes, Employer Contribution timing, Member Contribution experience, benefit payment experience, and salary increase experience compared to expectation.



RECOMMENDED CONTRIBUTION DETAIL

ACTUARIAL METHODS – RECOMMENDED CONTRIBUTION

Actuarial Valuation Date	May 1, 2020
Data Collection Date	April 30, 2020
Actuarial Cost Method	Entry Age Normal (Level % Pay)
Amortization Method	Level % Pay (Closed)
Amortization Target	100% Funded Over 19 Years
Asset Valuation Method	5-Year Smoothed Market Value

The contributions and benefit values of the Pension Fund are calculated by applying actuarial assumptions to the benefit provisions and census data furnished, using the Actuarial Cost Method described. The Actuarial Cost and Amortization Methods allocate the projected obligations of the Plan over the working lifetimes of the Plan Members.

The Recommended Contribution amount shown in this report is based on the methods summarized above. The *Actuarial Funding Policies* section of this report includes a more detailed description of the Actuarial Funding Methods being used.

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

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





ILLINOIS STATUTORY MINIMUM CONTRIBUTION

Statutory Minimum Contribution
Funded Status – Statutory Minimum
Actuarial Methods – Illinois Statutory Minimum Contribution

ILLINOIS STATUTORY MINIMUM CONTRIBUTION

STATUTORY MINIMUM CONTRIBUTION

	<u>Current Valuation</u>
Statutory Minimum Contribution	\$4,051,587
Expected Payroll	\$4,468,220
Statutory Minimum Contribution as a Percent of Expected Payroll	90.68%

FUNDED STATUS – STATUTORY MINIMUM

	<u>Current Valuation</u>
Normal Cost	\$1,482,375
Market Value of Assets	\$34,554,361
Actuarial Value of Assets	\$35,515,960
Actuarial Accrued Liability	\$85,623,933
Unfunded Actuarial Accrued Liability	\$50,107,973
Percent Funded	
Actuarial Value of Assets	41.48%
Market Value of Assets	40.36%



ILLINOIS STATUTORY MINIMUM CONTRIBUTION

The Statutory Minimum Contribution is based on Actuarial Funding Methods and funding parameters in the Illinois State Statutes for pension funding. The resulting contribution is lower than the Recommended Contribution for the current year. The lower contribution amount is not recommended because it represents a deferral of contributions when compared to the Recommended Contribution method.

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

1. Members – the Members are interested in benefit security and having the funds available to pay benefits when retired
2. Employers – cost control and cost stability over the long-term
3. Taxpayers – paying for the services they are receiving from active Members

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

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

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



ILLINOIS STATUTORY MINIMUM CONTRIBUTION

ACTUARIAL METHODS – ILLINOIS STATUTORY MINIMUM CONTRIBUTION

Actuarial Valuation Date	May 1, 2020
Data Collection Date	April 30, 2020
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level % Pay (Closed)
Amortization Target	90% Funded Over 20 Years
Asset Valuation Method	5-Year Smoothed Market Value

The contribution and benefit values of the Pension Fund are calculated by applying actuarial assumptions to the benefit provisions and census data furnished, using the Actuarial Cost Method described. The Actuarial Cost and Amortization methods allocate the projected obligations of the Plan over the working lifetimes of the Plan Members.

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

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





ACTUARIAL VALUATION DATA

Active Members
Inactive Members
Summary of Monthly Benefit Payments

ACTUARIAL VALUATION DATA

ACTIVE MEMBERS

	Prior Valuation	Current Valuation
Vested	48	48
Nonvested	12	12
Total Active Members	60	60
Total Payroll	\$ 4,247,751	\$ 4,396,772

INACTIVE MEMBERS

	Prior Valuation	Current Valuation
Terminated Members - Vested	1	1
Retired Members	55	55
Disabled Members	15	15
Other Beneficiaries	17	16
Total Inactive Members	88	87

SUMMARY OF MONTHLY BENEFIT PAYMENTS

	Prior Valuation	Current Valuation
Terminated Members - Vested	\$ 759	\$ 759
Retired Members	247,489	255,739
Disabled Members	53,667	57,229
Other Beneficiaries	39,456	36,247
Total Inactive Members	\$ 341,371	\$ 349,974

Monthly benefit payments shown for Terminated Members – Vested are not currently in pay status.





ACTUARIAL FUNDING POLICIES

Actuarial Cost Method
Financing Unfunded Actuarial Accrued Liability
Actuarial Value of Assets

ACTUARIAL FUNDING POLICIES

ACTUARIAL COST METHOD

The Actuarial Cost Method allocates the projected obligations of the Plan over the working lifetimes of the Plan Members.

In accordance with the Pension Fund's Funding Policy the Actuarial Cost Method for the Recommended Contribution basis is Entry Age Normal (Level Percent of Pay). The Entry Age Normal Cost Method is a method under which the Actuarial Present Value of the projected benefits of each individual included in an Actuarial Valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age. The portion of this Actuarial Present Value allocated to a valuation year is called Normal Cost. The portion of the Actuarial Present Value not provided at an Actuarial Valuation Date by the Actuarial Present Value of future Normal Costs is called the Actuarial Accrued Liability.

The Entry Age Normal method attempts to create a level cost pattern. In contrast to other Actuarial Cost Methods which inherently lead to uneven or less predictable cost patterns, the Entry Age Normal method is generally understood to be less risky in terms of contribution stability from year to year.

The Conference of Consulting Actuaries Public Plans Community produced a "white paper" detailing Funding Policy model practices for public sector pension plans. Under the Level Cost Actuarial Methodology ("LCAM"), one of the principal elements to a Funding Policy is the Actuarial Cost Method. When deciding which Actuarial Cost Method to use, several objectives may be considered, such as the following:

- Each Member's benefit should be funded under a reasonable allocation method by the expected retirement date
- Pay-related benefit costs should reflect anticipated pay at retirement
- The expected cost of each year of service (i.e. Normal Cost) for each active Member should be reasonably related to the expected cost of that Member's benefit
- The Member's Normal Cost should emerge as a level percent of Member compensation
- No gains or losses should occur if all assumptions are met.

Following these criteria, the use of the Entry Age Normal Cost Method (Level Percent of Pay) is a model practice.

FINANCING UNFUNDED ACTUARIAL ACCRUED LIABILITY

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

When amortizing the Unfunded Actuarial Accrued Liability as a level percentage of payroll, additional risk is incurred since the amortization payments in the early years of the payment period may not be large enough to cover the interest accrued on the existing Unfunded Liability. As a result, the Unfunded



ACTUARIAL FUNDING POLICIES

Liability may increase initially, before the amortization payments grow large enough to cover all interest accruals. Generally speaking, the Plan Sponsor will be required to contribute a larger total contribution amount over the course of the funding period under a level percentage of payroll basis as compared to a level dollar payroll schedule.

The Government Finance Office Association notes that best practices in public pension finance include utilizing amortization periods that do not exceed 20 years. Longer amortization periods elevate the risk of failing to reduce any Unfunded Liability. For example, when the amortization payment in full only covers interest on the Unfunded Liability, but does not reduce the existing Unfunded Liability, the required contribution will increase in future years.

A second principal element under the Level Cost Actuarial Methodology described above is to establish an Amortization Policy that determines the length of time and the structure of the increase or decrease in contributions required to systematically fund the Unfunded Actuarial Accrued Liability. When deciding on the Amortization Policy, several objectives may be considered, such as the following:

- Variations in the source of liability changes (i.e. gains or losses, Plan changes, assumption changes) should be funded over periods consistent with an appropriate balance between the policy objectives of demographic matching and volatility management
- The cost changes in Unfunded Actuarial Accrued Liability should emerge as a level percentage of Member compensation

The LCAM model practices for the Amortization Policy include the following:

- Layered fixed period amortization by source
- Level percent of pay amortization
- An amortization period ranging from 15-20 years for experience gains or losses
- An amortization period of 15-25 years for assumption changes

In accordance with the Pension Fund's Funding Policy for the Recommended Contribution, the Unfunded Actuarial Accrued Liability is amortized by level percent of payroll contributions to a 100% funding target over the remaining 19 years. See the *Actuarial Methods – Recommended Contribution* section of this report for more detail.

We believe that the amortization period is appropriate for the purposes of this valuation.



ACTUARIAL FUNDING POLICIES

ACTUARIAL VALUE OF ASSETS

The Pension Fund is an ongoing plan. The Employer wishes to smooth the effect of volatility in the Market Value of Assets on the annual contribution. Therefore, the Actuarial Value of Assets is equal to the Market Value of Assets with unanticipated gains/losses recognized over a five-year period.

The Asset Valuation Method is intended to create an Actuarial Value of Assets that remains reasonable in relation to the Market Value of Assets over time. The method produces results that can fall either above or below the Market Value of Assets. The period of recognition is short.

It is intended that the period of recognition is short enough to keep the Actuarial Value of Assets within a decent range of the Market Value of Assets. In the event that the Actuarial Value of Assets exceeds or falls below a 10% corridor of the Market Value of Assets, the additional gain or loss will be recognized immediately.





ACTUARIAL ASSUMPTIONS

Nature of Actuarial Calculations
Actuarial Assumptions in the Valuation Process
Assessment of Risk Exposures
Limitations of Risk Analysis
Actuarial Assumptions Utilized

ACTUARIAL ASSUMPTIONS

NATURE OF ACTUARIAL CALCULATIONS

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

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

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

ACTUARIAL ASSUMPTIONS IN THE VALUATION PROCESS

The contributions and benefit values of the Pension Fund are calculated by applying actuarial assumptions to the benefit provisions and census data furnished, using the Actuarial Cost Method described in the *Actuarial Funding Policies* section of this report.

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

- Expected Rate of Return on Investments
- Patterns of Pay Increases for Members
- Rates of Mortality Among Active and Inactive Members
- Rates of Termination Among Active Members
- Rates of Disability Among Active Members
- Age Patterns of Actual Retirements

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

Details behind the selection of the actuarial assumptions can be found in the Actuarial Assumption Summary document provided to the client upon request. The client has reviewed and approved the assumptions as a reasonable expectation of the future anticipated experience under the Plan.



ACTUARIAL ASSUMPTIONS

ASSESSMENT OF RISK EXPOSURES

From time to time it becomes appropriate to modify one or more of the assumptions, to reflect experience trends (but not random year-to-year fluctuations). In addition, Actuarial Standards of Practice require that the Actuary minimally perform a qualitative assessment of key financial and demographic risks as part of the risk assessment process with each annual Actuarial Valuation. The risk assessments we perform include, but are not limited to, the following:

- Periodic demographic experience studies every 3 to 5 years to confirm the ongoing appropriateness of actuarial assumptions
- Highlight the impact of demographic experience over the past year, as well as other sources of change and volatility in the *Actuarial Recommended Contribution – Reconciliation* section of this report
- Detail year-over-year changes in contribution levels, assets, liabilities, and Funded Status in the *Recommended Contribution* and *Funded Status* sections in the *Management Summary* section of this report
- Review any material changes in the census as summarized in the *Actuarial Valuation Data* section of this report
- Provide and discuss the Actuarial Assumption Summary document highlighting the rationale for each key assumption chosen by the Board
- Identify potential Cash Flow Risk by highlighting expected benefit payments over the next 5-year and 10-year periods in the *Asset Growth* section in the *Management Summary* section of this report
- Describe the impact of any assumption, method, or policy change in the *Management Summary* section of this report
- Utilize supplemental information, such as the GASB Discount Rate sensitivity disclosures to understand, for example, what impact an alternative Expected Rate of Return on Investments assumption might have on the estimation of Actuarial Accrued Liability and Funded Status
- Utilize supplemental information, such as the GASB solvency test, to better understand the Cash Flow Risk and long-term sustainability of the Plan.

LIMITATIONS OF RISK ANALYSIS

Since future experience may never be precisely as assumed, the process of selecting funding methods and actuarial assumptions may inherently create risk and volatility of results. A more detailed evaluation of the above risk exposures is beyond the scope and nature of the annual Actuarial Valuation process. For example, scenario tests, sensitivity tests, stress tests, and/or stochastic modeling for multi-year projections to assess the impact of alternative assumptions and methods, or modeling future experience different from the assumptions in these results, are not included in this Actuarial Valuation.

The Quincy Firefighters' Pension Fund and/or the City of Quincy, Illinois should contact the Actuary if they desire a more detailed assessment of any of these forward-looking risk exposures.



ACTUARIAL ASSUMPTIONS

ACTUARIAL ASSUMPTIONS UTILIZED

Expected Rate of Return on Investments	6.50% Net of Administrative Expense
CPI-U	2.25%
Total Payroll Increases	3.25%
Individual Pay Increases*	2.25% - 16.70%

Individual pay increases include a long-term average increase for inflation, average annual increases for promotions, and any additional increases for a step program. Sample rates are as follows:

Service	Rate	Service	Rate
0	8.45%	8	3.75%
1	2.25%	9	3.75%
2	13.96%	10	3.75%
3	2.25%	15	3.75%
4	16.70%	20	3.75%
5	3.75%	25	3.75%
6	3.75%	30	3.75%
7	3.75%	35	3.75%

*Individual pay increases for active Members hired at age 40 or older are assumed annual increases at the ultimate rate reduced by 50 basis points, without adjustments in early service years.

Retirement Rates

100% of the L&A Assumption Study for Firefighters 2020 Cap Age 65. Sample rates are as follows:

Age	Rate	Age	Rate
50	7.00%	53	7.00%
51	7.00%	54	7.00%
52	7.00%	55	17.15%



ACTUARIAL ASSUMPTIONS

Termination Rates

100% of the L&A Assumption Study for Firefighters 2020. Sample rates are as follows:

Age	Rate	Age	Rate
25	7.02%	40	1.25%
30	4.07%	45	0.41%
35	2.41%	50	0.00%

Disability Rates

100% of the L&A Assumption Study for Firefighters 2020. Sample rates are as follows:

Age	Rate	Age	Rate
25	0.07%	40	0.54%
30	0.09%	45	0.75%
35	0.27%	50	0.97%

75% of active Members who become disabled are assumed to be in the Line of Duty.

Mortality Rates

Active Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study. Mortality improvement uses MP-2019 Improvement Rates applied on a fully generational basis.

50% of active Member deaths are assumed to be in the Line of Duty.

Retiree Mortality follows the L&A Assumption Study for Firefighters 2020. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2017 using MP-2019 Improvement Rates. These rates are then improved fully generationally using MP-2019 Improvement Rates.

Disabled Mortality follows the L&A Assumption Study for Firefighters 2020. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010 Study for disabled participants improved to 2017 using MP-2019 Improvement Rates. These rates are then improved fully generationally using MP-2019 Improvement Rates.



ACTUARIAL ASSUMPTIONS

Mortality Rates (Continued)

Spouse Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study for contingent survivors. For all rates not provided there (ages 45 and younger) the PubG-2010 Study for general employees was used. Mortality improvement uses MP-2019 Improvement Rates applied on a fully generational basis.

Marital Assumptions

Active Members: 80% of active Members are assumed to be married. Female spouses are assumed to be 3 years younger than male spouses.

Retiree and Disabled Members: Actual spousal data was utilized for retiree and disabled Members.





SUMMARY OF PRINCIPAL PLAN PROVISIONS

Establishment of the Fund
Administration
Member Contributions
Regular Retirement Pension Benefit
Early Retirement Pension Benefit
Surviving Spouse Benefit
Termination Benefit – Vested
Disability Benefit

SUMMARY OF PRINCIPAL PLAN PROVISIONS

ESTABLISHMENT OF THE FUND

The Firefighters' Pension Fund is established and administered as prescribed by "Article 4 – Firefighters' Pension Fund – Municipalities 500,000 and Under" of the Illinois Pension Code.

ADMINISTRATION

The Firefighters' Pension Fund is administered by a Board of Trustees whose duties are to manage the Pension Fund, determine applications for pensions, authorize payment of pensions, establish rules, pay expenses, invest assets, and keep records.

MEMBER CONTRIBUTIONS

Members contribute 9.455% of pensionable salary.

REGULAR RETIREMENT PENSION BENEFIT

Hired Prior to January 1, 2011

Eligibility: Age 50 with at least 20 years of creditable service.

Benefit: 50% of final salary for the first 20 years of service, plus an additional 2.5% of final salary for each year of service beyond 20 years of service, pro-rated monthly, and not to exceed 75% of final salary. "Final salary" is based on the firefighter's pensionable salary attached to rank held on the last day of service.

Annual Increase in Benefit: A firefighter is entitled to receive an initial increase equal to 1/12 of 3% of the original monthly benefit for each full month that has passed since the pension began. The initial increase date will be the latter of the first day of the month after the pensioner turns age 55 or the first day of the month after the benefit date anniversary. Subsequent increases of 3% of the current monthly benefit will be granted every January 1st thereafter.



SUMMARY OF PRINCIPAL PLAN PROVISIONS

REGULAR RETIREMENT PENSION BENEFIT - CONTINUED

Hired on or After January 1, 2011

Eligibility: Age 55 with at least 10 years of creditable service.

Benefit: 2.5% of final average salary for each year of service, and not to exceed 75% of final average salary. "Final average salary" is determined by dividing the total pensionable salary during 48 consecutive months of service within the last 60 months of service in which total pensionable salary was the highest, by the number of months of service in that period (or by dividing the total pensionable salary during 96 consecutive months of service within the last 120 months of service in which total pensionable salary was the highest, by the number of months of service in that period, if greater). Annual salary for this purpose will not exceed the salary cap, indexed by the lesser of 3% or the CPI-U for the 12 months ending with the September preceding each November 1st. The salary cap will not decrease.

Annual Increase in Benefit: The initial increase date will be the latter of the January 1st after the pensioner turns age 60 or the January 1st after the benefit date anniversary. Subsequent increases will be granted every January 1st thereafter. The initial increase and subsequent increases will be the lesser of 3% of the original benefit or ½ of the CPI-U for the 12 months ending with the September preceding each November 1st.

EARLY RETIREMENT PENSION BENEFIT

Hired Prior to January 1, 2011

None.

Hired on or After January 1, 2011

Eligibility: Age 50 with at least 10 years of creditable service.

Benefit: The regular retirement pension benefit reduced by ½ of 1% for each month that the firefighters' age is between 50 and 55.

Annual Increase in Benefit: The initial increase date will be the latter of the January 1st after the pensioner turns age 60 or the January 1st after the benefit date anniversary. Subsequent increases will be granted every January 1st thereafter. The initial increase and subsequent increases will be the lesser of 3% of the original benefit or ½ of the CPI-U for the 12 months ending with the September preceding each November 1st.



SUMMARY OF PRINCIPAL PLAN PROVISIONS

SURVIVING SPOUSE BENEFIT

Hired Prior to January 1, 2011

Eligibility: Married to an active firefighter, a disabled pensioner at the time of death, or a retired pensioner (at least 12 months prior to the time of death if married post-retirement).

Active Line of Duty Death Benefit: An eligible surviving spouse is entitled to receive 100% of the firefighter's final pensionable salary attached to rank held on the last day of service.

Non-Duty Death Benefit:

Disabled or Retired Pensioner: An eligible surviving spouse is entitled to receive the greater of the pensioner's benefit at the time of death or 54% of the pensioner's final pensionable salary attached to rank held on the last day of service.

Active Member: An eligible surviving spouse is entitled to receive the greater of the firefighter's eligible benefit at the time of death or 54% of the firefighter's final pensionable salary attached to rank held on the last day of service.

Annual Increase in Benefit: None.

Hired on or After January 1, 2011

Eligibility: Married to an active firefighter, a disabled pensioner at the time of death, or a retired pensioner (at least 12 months prior to the time of death if married post-retirement).

Active Line of Duty Death Benefit: An eligible surviving spouse is entitled to receive 100% of the firefighter's final pensionable salary attached to rank held on the last day of service.

Non-Duty Death Benefit:

Disabled or Retired Pensioner and Active Member: An eligible surviving spouse is entitled to receive the greater of 66 $\frac{2}{3}$ % of the firefighter's earned pension benefit at the time of death or 54% of the firefighter's monthly salary at the time of death.

Annual Increase in Benefit: The initial increase date will be the January 1st after the surviving spouse turns age 60. Subsequent increases will be granted every January 1st thereafter. The initial increase and subsequent increases will be the lesser of 3% of the original benefit or $\frac{1}{2}$ of the CPI-U for the 12 months ending with the September preceding each November 1st.



SUMMARY OF PRINCIPAL PLAN PROVISIONS

TERMINATION BENEFIT – VESTED

Hired Prior to January 1, 2011

Eligibility: Age 60 with at least 10 but less than 20 years of creditable service.

Benefit: An accrual factor times final salary for each year of service. “Accrual factor” is a factor of 1.5% at 10 years of service, increasing ratably up to 2.4% at 19 years of service. “Final salary” is based on the firefighter’s pensionable salary attached to rank held on the last day of service.

Annual Increase in Benefit: A firefighter is entitled to receive an initial increase equal to 1/12 of 3% of the original monthly benefit for each full month that has passed since the pension began. The initial increase date will be the first day of the month after the benefit date anniversary. Subsequent increases of 3% of the current monthly benefit will be granted every January 1st thereafter.

Hired on or After January 1, 2011

None.



SUMMARY OF PRINCIPAL PLAN PROVISIONS

DISABILITY BENEFIT

Hired Prior to January 1, 2011

Eligibility: Duty Disability, Non-Duty Disability with at least 7 years of creditable service, or Occupational Disease Disability with at least 5 years of creditable service.

Benefit: For a duty disability or an occupational disease disability with at least 5 years of creditable service, a firefighter is entitled to receive the greater of 65% of final salary or the regular retirement pension benefit at the time of disability. For a non-duty disability with at least 7 years of creditable service, a firefighter is entitled to receive 50% of final salary. “Final salary” is based on the firefighter’s pensionable salary attached to rank held on the last day of service.

Annual Increase in Benefit: A firefighter is entitled to receive an initial increase equal to 3% of the original monthly benefit for each full year that has passed since the pension began. The initial increase date will be the latter of the January 1st after following pensioner turns age 60 or the January 1st after the benefit date anniversary. Subsequent increases of 3% of the original monthly benefit will be granted every January 1st thereafter.

Hired on or after January 1, 2011

Eligibility: Duty Disability, Non-Duty Disability with at least 7 years of creditable service, or Occupational Disease Disability with at least 5 years of creditable service.

Benefit: For a duty disability or an occupational disease disability with at least 5 years of creditable service, a firefighter is entitled to receive the greater of 65% of final salary or the regular retirement pension benefit at the time of disability. For a non-duty disability, a firefighter is entitled to receive 50% of final salary. “Final salary” is based on the firefighter’s pensionable salary attached to rank held on the last day of service.

Annual Increase in Benefit: A firefighter is entitled to receive an initial increase equal to 3% of the original monthly benefit for each full year that has passed since the pension began. The initial increase date will be the latter of the January 1st after following pensioner turns age 60 or the first day of the month after the benefit date anniversary. Subsequent increases of 3% of the original monthly benefit will be granted every January 1st thereafter.





GLOSSARY OF TERMS

Glossary of Terms

GLOSSARY OF TERMS

GLOSSARY OF TERMS

Actuarial Accrued Liability – The Actuarial Present Value of future benefits based on Members’ service rendered to the Measurement Date using the selected Actuarial Cost Method. It is that portion of the Actuarial Present Value of Plan benefits and expenses allocated to prior years of employment. It is not provided for by future Normal Costs.

Actuarial Cost Method – The method used to allocate the projected obligations of the Plan over the working lifetimes of the Plan Members.

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

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

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

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

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

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





Lauterbach & Amen, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Actuarial Funding Report



QUINCY POLICE
PENSION FUND

Actuarial Valuation
as of May 1, 2020

For the Contribution Year May 1, 2020 to April 30, 2021

LAUTERBACH & AMEN, LLP

Actuarial Valuation – Funding Recommendation



Lauterbach & Amen, LLP

CERTIFIED PUBLIC ACCOUNTANTS

QUINCY POLICE PENSION FUND

Contribution Year Ending: April 30, 2021

Actuarial Valuation Date: May 1, 2020

Utilizing Data as of April 30, 2020

Submitted by:

Lauterbach & Amen, LLP
668 N. River Road
Naperville, IL 60563
Phone: 630.393.1483
www.lauterbachamen.com

Contact:

Todd A. Schroeder
Director
September 23, 2020

LAUTERBACH & AMEN, LLP



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ACTUARIAL CERTIFICATION

This report documents the results of the Actuarial Valuation for the Quincy Police Pension Fund. The information was prepared for use by the Quincy Police Pension Fund and the City of Quincy, Illinois for determining the Recommended Contributions, under the selected Funding Policy and Statutory Minimum guidelines, for the Contribution Year May 1, 2020 to April 30, 2021. It is not intended or suitable for other purposes. Determinations for purposes other than the Employer's Actuarial Recommended Contribution may be significantly different from the results herein.

The results in this report are based on the census data and financial information submitted by the City of Quincy, Illinois, and may include results from the prior Actuary. We did not prepare the Actuarial Valuations for the years prior to May 1, 2019. Those valuations were prepared by the prior Actuary whose reports have been furnished to us, and our disclosures are based on those reports. An audit of the prior Actuary's results was not performed, but high-level reviews were completed for general reasonableness, as appropriate, based on the purpose of this valuation. The accuracy of the results is dependent on the precision and completeness of the underlying information.

In addition, the results of the Actuarial Valuation involve certain risks and uncertainty as they are based on future assumptions, market conditions, and events that may never materialize as assumed. For this reason, certain assumptions and future results may be materially different than those presented in this report. See the *Management Summary* section of this report for a more detailed discussion of the Defined Benefit Plan Risks, as well as the limitations of this Actuarial Valuation on assessing those risks. We are not aware of any known events subsequent to the Actuarial Valuation Date, which are not reflected in this report but should be valued, that may materially impact the results.

The valuation results summarized in this report involve actuarial calculations that require assumptions about future events. The City of Quincy, Illinois selected certain assumptions, while others were the result of guidance and/or judgment from the Plan's Actuary or Advisors. We believe that the assumptions used in this valuation are reasonable and appropriate for the purposes for which they have been used. The selected assumptions represent our best estimate of the anticipated long-term experience of the Plan, and meet the guidelines set forth in the Actuarial Standards of Practice.





To the best of our knowledge, all calculations are in accordance with the applicable funding requirements, and the procedures followed and presentation of results conform to generally accepted actuarial principles and practices as prescribed by the Actuarial Standards Board. The undersigned consultants of Lauterbach & Amen, LLP, with actuarial credentials, meet the Qualification Standards of the American Academy of Actuaries to render this Actuarial Certification. There is no relationship between the City of Quincy, Illinois and Lauterbach & Amen, LLP that impairs our objectivity.

Respectfully Submitted,
LAUTERBACH & AMEN, LLP

Todd A. Schroeder, ASA, FCA, EA, MAAA

Robert L. Rietz, Jr., FCA, EA, MAAA





MANAGEMENT SUMMARY

Recommended Contribution
Funded Status
Management Summary – Comments and Analysis
Actuarial Recommended Contribution – Reconciliation

MANAGEMENT SUMMARY

RECOMMENDED CONTRIBUTION

	Prior Valuation	Current Valuation
Recommended Contribution	\$3,882,752	\$4,404,948
Expected Payroll	\$5,511,084	\$5,532,285
Recommended Contribution as a Percent of Expected Payroll	70.45%	79.62%

*The Recommended
Contribution has
Increased by
\$522,196 from the
Prior Valuation.*

FUNDED STATUS

	Prior Valuation	Current Valuation
Normal Cost	\$1,263,526	\$1,362,764
Market Value of Assets	\$37,303,415	\$37,250,858
Actuarial Value of Assets	\$37,953,156	\$39,268,077
Actuarial Accrued Liability	\$82,284,125	\$87,707,859
Unfunded Actuarial Accrued Liability	\$44,330,969	\$48,439,782
Percent Funded		
Actuarial Value of Assets	46.12%	44.77%
Market Value of Assets	45.33%	42.47%

*The Percent
Funded has
Decreased by
1.35% on an
Actuarial Value of
Assets Basis.*



MANAGEMENT SUMMARY

MANAGEMENT SUMMARY – COMMENTS AND ANALYSIS

Contribution Results

The Recommended Contribution is based on the selected Funding Policy and methods that are outlined in the *Actuarial Funding Policies* section of this report.

The Illinois State Statutes for Pension Funds contain parameters that are used to determine the Statutory Minimum Contribution to a public Pension Fund. Those parameters and the resulting Statutory Minimum Contribution are found in the *Illinois Statutory Minimum Contribution* section of this report.

“Contribution Risk” is defined by the Actuarial Standards of Practice as the potential for actual future contributions to deviate from expected future contributions. For example, when actual contributions are not made in accordance to the Plan’s Funding Policy, or when future experience deviates materially from assumed. While it is essential for the Actuary and Plan Sponsor to collaborate on implementing a sound and financially feasible Funding Policy, it is important to note that the Actuary is not required, and is not in the position to, evaluate the ability or willingness of the Plan Sponsor to make the Recommended Contribution under the selected Funding Policy.

As a result, while Contribution Risk may be a significant source of risk for the Plan, this Actuarial Valuation makes no attempt to assess the impact of future contributions falling short of those recommended under the selected Funding Policy. Notwithstanding the above, see the *Actuarial Recommended Contribution – Reconciliation* section of this report for the impact on the current Recommended Contribution of any contribution shortfalls or excesses from the prior year.

Defined Benefit Plan Risks

Asset Growth:

Pension funding involves preparing Fund assets to pay for benefits when Members retire. During their working careers, assets grow with contributions and investment earnings; and then, the Pension Fund distributes assets in retirement. Based on the Plan’s current mix of Members and Funded Status, the Plan should experience positive asset growth, on average, if the Recommended Contributions are made and expected investment earnings come in. In the current year, the Fund asset growth was negative by approximately \$53,000.

Asset growth is important in the long-term. Long-term cash flow out of the Pension Fund is primarily benefit payments, and expenses are a smaller portion. The Plan should monitor the impact of expected benefit payments on future asset growth. In the next 5 years, benefit payments are anticipated to increase 25-30%, or approximately \$990,000. In the next 10 years, the expected increase in benefit payments is 50-55%, or approximately \$2,100,000. The estimated increases in benefit payments are based on the benefits paid to inactive Members during the current year, and does not include any refunds of Member Contributions.



MANAGEMENT SUMMARY

Furthermore, Plans' with a large number of inactive Members have an increased "Longevity Risk". Longevity Risk is the possibility that inactive Members may live longer than projected by the Plan's mortality assumption. As shown in the previous paragraph, benefit payments are expected to increase over the next 5-year and 10-year horizons. The projected increases assume that current inactive Members pass away according to the Plan's mortality assumption. To the extent that current inactive Members live longer than expected, the future 5-year and 10-year benefit projections may be larger than the amounts disclosed in the previous paragraph. Higher levels of benefit payments, payable for a longer period of time, may cause a significant strain to the Plan's cash flow, future Recommended Contributions, and may lead to Plan insolvency.

Unfunded Liability:

Unfunded Liability represents the financial shortfall of the Actuarial Value of Assets compared to the Actuarial Accrued Liability. To the extent that Unfunded Liability exists, the Plan is losing potential investment earnings due to the financial shortfall. Contributions towards Unfunded Liability pay for the lost investment earnings, as well as the outstanding unfunded amount. If payments towards Unfunded Liability are not made, the Unfunded Liability will grow.

In the early 1990s, many Pension Funds in Illinois adopted an increasing payment towards Unfunded Liability due to a change in legislation. The initial payment decreased, and future payments are anticipated to increase annually after that. In many situations, payments early on were less than the interest on Unfunded Liability, which means that Unfunded Liability increased even though contributions were made at the recommended level.

The current Recommended Contribution includes a payment towards Unfunded Liability that is approximately \$390,000 greater than the interest on Unfunded Liability. All else being equal, and contributions being made, Unfunded Liability is expected to decrease. The Employer and Fund should anticipate that improvement in the current Percent Funded will be mitigated in the short-term. The Employer and Fund should understand this impact as we progress forward to manage expectations.

Actuarial Value of Assets:

The Pension Fund smooths asset returns that vary from expectations over a 5-year period. The intention over time is that asset returns for purposes of funding recommendations are a combination of several years. The impact is intended to smooth out the volatility of Recommended Contributions over time, but not necessarily increase or decrease the level of contributions over the long-term.

When asset returns are smoothed, there are always gains or losses on the Market Value of Assets that are going to be deferred for current funding purposes, and recognized in future years. Currently, the Pension Fund is deferring approximately \$2,000,000 in losses on the Market Value of Assets. These are asset losses that will be recognized in upcoming periods, independent of the future performance of the Market Value of Assets.



MANAGEMENT SUMMARY

Cash Flow Risk:

Assets, liabilities, and Funded Status are good metrics to monitor over time to assess the progress of the Funding Policy. However, these metrics may provide limited forward-looking insights. Specifically, the maturity of a Pension Fund can pose certain risks that often cannot be assessed with a point-in-time metric such as Percent Funded.

For example, two different Pension Funds could have the same Percent Funded, but have completely different risk profiles. One Fund might mostly cover active Members with little to no Members in pay status, whereas a second Fund might mostly cover inactive Members with a significant level of annual benefit payments. The latter Fund has a greater “Cash Flow Risk”, i.e. a more significant chance that negative cash flows could lead to a deteriorating, rather than improving, Percent Funded over time.

It is important to note that, in general, positive net cash flows are good, but also need to be sufficient to cover the growth in the liabilities (i.e. the Normal Cost as well as interest on the Actuarial Accrued Liability). Typically, when cash flows are assumed to be insufficient to cover the growth in liabilities, the Percent Funded will decline, while future Recommended Contributions will increase.

For this Plan, the Market Value of Assets is less than the Actuarial Accrued Liability for inactive Members. The Fund assets and anticipated investment earnings are not sufficient to cover the benefits payable to the current inactive Members. In addition, there is currently no money set aside for active Member liability. There are two consequences. First, we are limiting the impact of investment earnings on accruing money for the active Members due to utilizing those dollars to pay for the current inactive Members. Second, there is Cash Flow Risk that exists in that a higher portion of the assets is needed to keep up with cash flow out for benefit payments, and a higher relative investment return is required to keep cash flow positive in any given year.

Benefit Payment Risk:

Ideally, Plans' in a sound financial position will have the ratio of annual benefits payments to the Market Value of Assets to be less than the Expected Rate of Return on Investments assumption (i.e. 6.50%). Theoretically, in this case it can be considered that investment returns will fully cover the annual benefit payments, and therefore, all Employer and Member Contributions made to the Fund will be used to pay for future benefit accruals and pay down the existing Unfunded Liability. To the extent that the ratio of the annual benefit payments to the Market Value of Assets increases to above the Expected Rate of Return on Investments assumption, the Plan may experience some additional risks, such as the need to keep assets in more liquid investments, inability to pay down Unfunded Liability, and may lead to Plan insolvency.



MANAGEMENT SUMMARY

As of the Valuation Date, the Quincy Police Pension Fund has a ratio of benefit payments to the Market Value of Assets of 10.29%. In this case, a portion of the Employer Contributions are being used to pay the annual benefit payments creating Benefit Payment Risk and Cash Flow Risk. The Percent Funded of the Plan may not grow as quickly as expected under the current Funding Policy, since the amortization payment towards the Unfunded Liability is not being fully realized. As shown in the *Asset Growth* section of this report, the 5-year and 10-year horizons of future benefit payments are expected to increase. The Plan Sponsor should monitor the percentage of annual benefit payments to the Market Value of Assets and consider changing the Funding Policy if this ratio continues to increase.

Fund Assets

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

The current Fund assets are unaudited.

The Actuarial Value of Assets under the Funding Policy is equal to the Market Value of Assets, with unexpected gains and losses smoothed over 5 years. More detail on the Actuarial Value of Assets can be found in the *Actuarial Funding Policies* section of this report.

*The Fund
Assets Used in
this Report
are Audited.*

Demographic Data

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

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



MANAGEMENT SUMMARY

“Demographic Risk” occurs when Plan demographic experience differs significantly from expected. Similar to Longevity Risk discussed previously, additional risk is created when demographic experience differs from the assumed rates of disability, retirement, or termination. Under the chosen assumptions, actuarial gains and/or losses will always occur, as the assumptions will never be exactly realized. However, the magnitude of the gain and/or loss and its influence on the Recommended Contribution largely depends on the size of the Plan.

Based on the number of active Members in the Plan, the Recommended Contribution has a low risk of having a significant increase due to demographic experience. For example, 1 new disabled Member would typically generate a substantial increase to the Actuarial Accrued Liability. However, due to the size of the Plan, there is an appropriate means to absorb demographic losses without causing a significant increase to the Recommended Contribution.

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

New Hires: There were 4 Members of the Fund who were hired during the year. When a Member is admitted to the Pension Fund, the Employer Contribution will increase to reflect the new Member. The increase in the Recommended Contribution in the current year due to the new Member experience is approximately \$29,000.

Retirement: There was 1 Member of the Fund who retired during the year. When a Member retires, the Normal Cost will decrease. Any change in the Actuarial Accrued Liability will be considered when determining the amount to pay towards Unfunded Liability each year. The decrease in the Recommended Contribution in the current year due to the retirement experience is approximately \$10,000.

Deferred Annuitants: There was 1 vested Member of the Fund who terminated employment during the year. The Fund may be obligated to pay a benefit to the Member in the future. The decrease in the Recommended Contribution in the current year due to the termination experience is approximately \$27,000.

Termination: There were 4 non-vested Members of the Fund who terminated employment during the year, 1 of whom took a refund of contributions. The Fund is no longer obligated to pay a benefit to the Member in the future. The decrease in the Recommended Contribution in the current year due to the termination experience is approximately \$28,000.

Mortality: There were 2 retirees who passed away during the year, 1 of whom had an eligible surviving spouse. When a retiree passes away, the Fund liability will decrease as the Pension Fund no longer will make future payments to the retiree. If there is an eligible surviving spouse, the Fund liability will increase to represent the value of the expected payments that will be made to the spouse.



MANAGEMENT SUMMARY

As inactive Members age and continue to collect benefits, the Fund liability will also increase. In the current year, there were 76 inactive Members who maintained their benefit collection status throughout the year. The net increase in the Recommended Contribution in the current year due to the mortality experience is approximately \$56,000.

Salary Increases: Salary increases were less than anticipated in the current year. Most active Members received an increase of 2.75% or less. This caused a decrease in the Recommended Contribution in the current year of approximately \$25,000.

Assumption Changes

We performed a comprehensive study of Police Officers and Police Pension Funds in Illinois. We reviewed the results of the study as well as the demographic experience of the Fund. The actuarial assumptions were changed in the current valuation to the rates shown in the *Actuarial Assumptions* section of this report. The assumptions impacted include:

- Inflation Rate (CPI-U)
- Individual Pay Increases
- Retirement Rates
- Termination Rates
- Disability Rates
- Mortality Rates
- Mortality Improvement Rates
- Marital Assumptions

The above stated assumption changes were made to better reflect the future anticipated experience of the Fund. See the table on the following page for the impact of these changes on the current valuation.

Funding Policy Changes

The Funding Policy was not changed from the prior valuation.

Plan Changes

In the current valuation, we have updated the Plan benefit changes under PA-101-0610 (SB 1300), which went into effect on January 1, 2020. These legislative changes reflect modifications to the Tier II Plan Provisions. A summary of the changes is available upon request. The *Summary of Principal Plan Provisions* section of this report has the updated Plan Provisions.



MANAGEMENT SUMMARY

ACTUARIAL RECOMMENDED CONTRIBUTION – RECONCILIATION

Actuarial Accrued Liability is expected to increase each year for both interest for the year and as active Members earn additional service years towards retirement. Similarly, Actuarial Accrued Liability is expected to decrease when the Fund pays benefits to inactive Members.

Contributions are expected to increase as expected pay increases under the Funding Policy for the Fund.

	Actuarial <u>Liability</u>	Recommended <u>Contribution</u>
Prior Valuation	\$ 82,284,125	\$ 3,882,752
Expected Changes	2,773,636	126,189
Initial Expected Current Valuation	<u>\$ 85,057,761</u>	<u>\$ 4,008,941</u>

Other increases or decreases in Actuarial Accrued Liability (key changes noted below) will increase or decrease the amount of Unfunded Liability in the Plan. To the extent that Unfunded Liability increases or decreases unexpectedly, the contribution towards Unfunded Liability will also change unexpectedly.

	Actuarial <u>Liability</u>	Recommended <u>Contribution</u>
Salary Increases Less than Expected	\$ (260,147)	\$ (25,127)
Demographic Changes	1,097,609	80,591
Assumption Changes	1,435,306	113,361
Plan Changes	377,330	110,022
Asset Return Less than Expected*	-	79,468
Contributions Less than Expected	-	37,692
Total Actuarial Experience	<u>\$ 2,650,098</u>	<u>\$ 396,006</u>
Current Valuation	<u>\$ 87,707,859</u>	<u>\$ 4,404,948</u>

*The impact on the Recommended Contribution due to asset return is on an Actuarial Value of Assets basis.

Key demographic changes were discussed in the *Demographic Data* section of this report.





VALUATION OF FUND ASSETS

Market Value of Assets
Market Value of Assets (Gain)/Loss
Development of the Actuarial Value of Assets
Actuarial Value of Assets (Gain)/Loss
Historical Asset Performance

VALUATION OF FUND ASSETS

MARKET VALUE OF ASSETS

Statement of Assets

	Prior Valuation	Current Valuation
Cash and Cash Equivalents	\$ 91,001	\$ -
Money Market	-	2,024,243
Fixed Income	35,175,690	12,973,893
Mutual Funds	-	22,185,222
Receivables (Net of Payables)	2,036,724	67,500
Total Market Value of Assets	\$ 37,303,415	\$ 37,250,858

The Total Market Value of Assets has Decreased by Approximately \$52,600 from the Prior Valuation.

Statement of Changes in Assets

Total Market Value of Assets - Prior Valuation	\$ 37,303,415
Plus - Employer Contributions	3,342,597
Plus - Member Contributions	570,182
Plus - Return on Investments	(43,668)
Less - Benefit Payments and Refunds	(3,839,460)
Less - Other Expenses	(32,934)
Prior Period Audit Adjustment	(49,274)
Total Market Value of Assets - Current Valuation	\$ 37,250,858

The Rate of Return on Investments on a Market Value of Assets Basis for the Fund was Approximately (0.21%) Net of Administrative Expense.

The Rate of Return on Investments shown above has been determined as the Return on Investments from the Statement of Changes in Assets, as a percent of the average of the prior and current Market Value of Assets. The Rate of Return on Investments is net of Other Expenses, and has been excluded from the Total Market Value of Assets at the end of the Fiscal Year for this calculation.



VALUATION OF FUND ASSETS

MARKET VALUE OF ASSETS (GAIN)/LOSS

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

Total Market Value of Assets - Prior Valuation	\$ 37,303,415
Employer and Member Contributions	3,912,779
Benefit Payments and Refunds	(3,839,460)
Expected Return on Investments	<u>2,427,105</u>
Initial Expected Total Market Value of Assets - Current Valuation	\$ 39,803,839
Prior Period Audit Adjustment	(49,274)
Expected Total Market Value of Assets - Current Valuation	39,754,565
Actual Total Market Value of Assets - Current Valuation	<u>37,250,858</u>
Current Market Value of Assets (Gain)/Loss	<u><u>\$ 2,503,707</u></u>
Expected Return on Investments	\$ 2,427,105
Actual Return on Investments (Net of Expenses)	<u>(76,602)</u>
Current Market Value of Assets (Gain)/Loss	<u><u>\$ 2,503,707</u></u>

*The Actual
Return on
Investments on a
Market Value of
Assets Basis was
Less than
Expected for the
Current Year.*

The (Gain)/Loss on the current Market Value of Assets has been determined based on the Expected Rate of Return on Investments as shown in the *Actuarial Assumptions* section of this report.



VALUATION OF FUND ASSETS

DEVELOPMENT OF THE ACTUARIAL VALUE OF ASSETS

Total Market Value of Assets - Current Valuation		\$	<u>37,250,858</u>
Adjustment for Prior (Gains)/Losses			
	<u>Full Amount</u>		
FYE 2020	\$ 2,503,707		2,002,965
FYE 2019	557,768		334,661
FYE 2018	(513,333)		(205,333)
FYE 2017	(575,368)		<u>(115,074)</u>
Total Deferred (Gain)/Loss			<u>2,017,219</u>
Initial Actuarial Value of Assets - Current Valuation		\$	39,268,077
Less Contributions for the Current Year and Interest			-
Less Adjustment for the Corridor			<u>-</u>
Total Actuarial Value of Assets - Current Valuation		\$	<u>39,268,077</u>

The Actuarial Value of Assets is Equal to the Market Value of Assets with Unanticipated (Gains)/Losses Recognized Over 5 Years. The Actuarial Value of Assets is 105.42% of the Market Value of Assets.

ACTUARIAL VALUE OF ASSETS (GAIN)/LOSS

Total Actuarial Value of Assets - Prior Valuation		\$	37,953,156
Plus - Employer Contributions			3,342,597
Plus - Member Contributions			570,182
Plus - Return on Investments			1,323,810
Less - Benefit Payments and Refund			(3,839,460)
Less - Other Expenses			(32,934)
Prior Period Audit Adjustment			<u>(49,274)</u>
Total Actuarial Value of Assets - Current Valuation		\$	<u>39,268,077</u>

The Rate of Return on Investments on an Actuarial Value of Assets Basis for the Fund was Approximately 3.40% Net of Administrative Expense.

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



VALUATION OF FUND ASSETS

HISTORICAL ASSET PERFORMANCE

The chart below shows the historical Rates of Return on Investments for both Market Value of Assets and Actuarial Value of Assets.

	<u>Market Value of Assets</u>	<u>Actuarial Value of Assets</u>
FYE 2020	(0.21%)	3.40%
FYE 2019	4.94%	4.54%

The historical Rates of Return on Investments shown above were calculated based on the annual Return on Investments, as a percentage of the average value of the assets for the year.

For purposes of determining the average value of assets for the year, the ending Market Value of Assets has been adjusted to net out to the portion related to the Return on Investments themselves. All other cash flows are included.

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

The adjustments we made are for actuarial reporting purposes only. By netting out Administrative Expenses and capturing Return on Investments that are available to pay benefits, it provides us a comparison to the Expected Rate of Return on Investments, but does not provide a figure that would be consistent with the rates of return that are determined by other parties. Therefore, this calculated Return on Investments should not be used to analyze investment performance of the Fund or the performance of the investment professionals.



VALUATION OF FUND ASSETS

Expected Rate of Return on Investments Assumption

The Expected Rate of Return on Investments for this valuation is 6.50%. Lauterbach & Amen, LLP does not provide investment advice. We look at a variety of factors when reviewing the Expected Rate of Return on Investments assumption selected by the Board. These factors include: historical Rates of Return on Investments, capital market projections performed by the Fund's investment advisors, the Fund's investment policy, capital market forward-looking benchmark expected returns by independent investment companies, rates used by comparable pension systems, and other factors identified in the Actuarial Standards of Practice.

Generally speaking, the ideal assumption for Expected Rate of Return on Investments is one that has a 50% chance of being met over the long-term. If actual returns going forward come in less than expected, the pension system risks deferring contributions to the future that should be made today, and creating additional contribution volatility.

“Investment Risk” is the potential that actual Return on Investments will be different from what is expected. The selected Expected Rate of Return on Investments assumption is chosen to be a long-term assumption, producing a return that, on average, would produce a stable rate of return over a long-term horizon. Actual asset returns in the short-term may deviate from this long-term assumption due to current market conditions. Furthermore, establishing the Expected Rate of Return on Investments assumption may be dependent on the Illinois State Statutes pertaining to the limitations on types of investments Plan Sponsors may use. If the actual annual rates of return are less than the Expected Rate of Return on Investments, actuarial losses will be produced, thus increasing the Plan's Unfunded Liability and, subsequently, future Recommended Contributions.

“Asset/Liability Mismatch” risk is a similar concept as Investment Risk, as it relates to setting the Expected Rate of Return on Investments assumption compared to the actual Return on Investments achieved. The Interest Rate used to discount future Plan liabilities is set equal to the Expected Rate of Return on Investments. It is expected that the selected Interest Rate be a rate that is reasonably expected to be achieved over the long-term. To the extent that the selected Interest Rate to value Plan liabilities is unreasonable, or significantly different than the actual Return on Investments earned over an extended period of time, additional Interest Rate risk is created. For example, determining Plan liabilities at an Interest Rate higher than what is expected to be achieved through investment returns results in Unfunded Liability that is not a true representation of the Plan's condition and Percent Funded. As a result, the Actuarial Accrued Liability determined is an amount smaller than the liability that would be produced with an Interest Rate more indicative of future Expected Rate of Return on Investments. Therefore, the Recommended Contributions under the established Funding Policy may not be sufficient to appropriately meet the true pension obligations.





RECOMMENDED CONTRIBUTION DETAIL

Actuarial Accrued Liability
Funded Status
Development of the Employer Normal Cost
Normal Cost as a Percentage of Expected Payroll
Recommended Contribution
Schedule of Amortization – Unfunded Actuarial Accrued Liability
Actuarial Methods – Recommended Contribution

RECOMMENDED CONTRIBUTION DETAIL

ACTUARIAL ACCRUED LIABILITY

	Prior Valuation	Current Valuation
Active Members	\$ 26,167,228	\$ 27,758,124
Inactive Members		
Terminated Members - Vested	1,310,825	2,111,588
Retired Members	45,075,273	47,184,390
Disabled Members	4,524,175	4,748,816
Other Beneficiaries	5,206,624	5,904,941
Total Inactive Members	56,116,897	59,949,735
Total Actuarial Accrued Liability	\$ 82,284,125	\$ 87,707,859

The Total Actuarial Accrued Liability has Increased by Approximately \$5,424,000 from the Prior Valuation.

FUNDED STATUS

	Prior Valuation	Current Valuation
Total Actuarial Accrued Liability	\$ 82,284,125	\$ 87,707,859
Total Actuarial Value of Assets	37,953,156	39,268,077
Unfunded Actuarial Accrued Liability	\$ 44,330,969	\$ 48,439,782
Total Market Value of Assets	\$ 37,303,415	\$ 37,250,858
Percent Funded		
Actuarial Value of Assets	<u>46.12%</u>	<u>44.77%</u>
Market Value of Assets	<u>45.33%</u>	<u>42.47%</u>

The Percent Funded as of the Actuarial Valuation Date is Subject to Volatility on Assets and Liability in the Short-Term.



RECOMMENDED CONTRIBUTION DETAIL

DEVELOPMENT OF THE EMPLOYER NORMAL COST

	Prior Valuation	Current Valuation
Total Normal Cost	\$ 1,263,526	\$ 1,362,764
Estimated Member Contributions	(546,148)	(548,249)
Employer Normal Cost	<u>\$ 717,378</u>	<u>\$ 814,515</u>

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

NORMAL COST AS A PERCENTAGE OF EXPECTED PAYROLL

	Prior Valuation	Current Valuation
Expected Payroll	<u>\$ 5,511,084</u>	<u>\$ 5,532,285</u>
Member Normal Cost Rate	<u>9.910%</u>	<u>9.910%</u>
Employer Normal Cost Rate	<u>13.02%</u>	<u>14.72%</u>
Total Normal Cost Rate	<u>22.93%</u>	<u>24.63%</u>

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

RECOMMENDED CONTRIBUTION

	Prior Valuation	Current Valuation
Employer Normal Cost*	\$ 764,008	\$ 867,458
Amortization of Unfunded Accrued Liability/(Surplus)	3,118,744	3,537,489
Recommended Contribution	<u>\$ 3,882,752</u>	<u>\$ 4,404,948</u>

*The
Recommended
Contribution has
Increased by
13.45% from the
Prior Valuation.*

*Employer Normal Cost Contribution includes interest through the end of the Fiscal Year.



RECOMMENDED CONTRIBUTION DETAIL

SCHEDULE OF AMORTIZATION – UNFUNDED ACTUARIAL ACCRUED LIABILITY

Below is the schedule of remaining amortization balances for the Unfunded Liability.

Unfunded Liability Base	Initial Balance	Date Established	Current Balance	Years Remaining	Payment
Investment (Gain)/Loss	\$ 1,088,174	4/30/2020	\$ 1,088,174	19	\$ 79,468
Actuarial (Gain)/Loss	1,548,970	4/30/2020	1,548,970	19	113,119
Contribution Experience	(103,735)	4/30/2020	(103,735)	19	(7,576)
Assumption Changes	1,435,306	4/30/2020	1,435,306	19	104,818
Plan Changes	377,330	4/30/2020	377,330	19	27,556
Investment (Gain)/Loss	644,326	4/30/2019	640,878	19	46,802
Actuarial (Gain)/Loss	(594,890)	4/30/2019	(591,707)	19	(43,212)
Contribution Experience	(17,096)	4/30/2019	(17,004)	19	(1,242)
Assumption Changes	4,922,160	4/30/2019	4,895,819	19	357,535
Initial Unfunded Liability	<u>\$ 39,376,469</u>	4/30/2019	<u>\$ 39,165,750</u>	19	<u>\$ 2,860,220</u>
 Total	 <u>\$ 48,677,014</u>		 <u>\$ 48,439,782</u>		 <u>\$ 3,537,489</u>

The Actuarial (Gain)/Loss can be attributable to several factors including demographic changes, Employer Contribution timing, Member Contribution experience, benefit payment experience, and salary increase experience compared to expectation.



RECOMMENDED CONTRIBUTION DETAIL

ACTUARIAL METHODS – RECOMMENDED CONTRIBUTION

Actuarial Valuation Date	May 1, 2020
Data Collection Date	April 30, 2020
Actuarial Cost Method	Entry Age Normal (Level % Pay)
Amortization Method	Level % Pay (Closed)
Amortization Target	100% Funded Over 19 Years
Asset Valuation Method	5-Year Smoothed Market Value

The contributions and benefit values of the Pension Fund are calculated by applying actuarial assumptions to the benefit provisions and census data furnished, using the Actuarial Cost Method described. The Actuarial Cost and Amortization Methods allocate the projected obligations of the Plan over the working lifetimes of the Plan Members.

The Recommended Contribution amount shown in this report is based on the methods summarized above. The *Actuarial Funding Policies* section of this report includes a more detailed description of the Actuarial Funding Methods being used.

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

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





ILLINOIS STATUTORY MINIMUM CONTRIBUTION

Statutory Minimum Contribution
Funded Status – Statutory Minimum
Actuarial Methods – Illinois Statutory Minimum Contribution

ILLINOIS STATUTORY MINIMUM CONTRIBUTION

STATUTORY MINIMUM CONTRIBUTION

	<u>Current Valuation</u>
Statutory Minimum Contribution	\$3,569,321
Expected Payroll	\$5,532,285
Statutory Minimum Contribution as a Percent of Expected Payroll	64.52%

FUNDED STATUS – STATUTORY MINIMUM

	<u>Current Valuation</u>
Normal Cost	\$1,488,331
Market Value of Assets	\$37,250,858
Actuarial Value of Assets	\$39,268,077
Actuarial Accrued Liability	\$84,191,627
Unfunded Actuarial Accrued Liability	\$44,923,550
Percent Funded	
Actuarial Value of Assets	46.64%
Market Value of Assets	44.25%



ILLINOIS STATUTORY MINIMUM CONTRIBUTION

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

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

1. Members – the Members are interested in benefit security and having the funds available to pay benefits when retired
2. Employers – cost control and cost stability over the long-term
3. Taxpayers – paying for the services they are receiving from active Members

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

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

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



ILLINOIS STATUTORY MINIMUM CONTRIBUTION

ACTUARIAL METHODS – ILLINOIS STATUTORY MINIMUM CONTRIBUTION

Actuarial Valuation Date	May 1, 2020
Data Collection Date	April 30, 2020
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level % Pay (Closed)
Amortization Target	90% Funded Over 20 Years
Asset Valuation Method	5-Year Smoothed Market Value

The contribution and benefit values of the Pension Fund are calculated by applying actuarial assumptions to the benefit provisions and census data furnished, using the Actuarial Cost Method described. The Actuarial Cost and Amortization methods allocate the projected obligations of the Plan over the working lifetimes of the Plan Members.

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

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





ACTUARIAL VALUATION DATA

Active Members
Inactive Members
Summary of Monthly Benefit Payments

ACTUARIAL VALUATION DATA

ACTIVE MEMBERS

	Prior Valuation	Current Valuation
Vested	48	44
Nonvested	27	29
Total Active Members	<u>75</u>	<u>73</u>
Total Payroll	<u>\$ 5,422,961</u>	<u>\$ 5,443,823</u>

INACTIVE MEMBERS

	Prior Valuation	Current Valuation
Terminated Members - Vested	5	6
Retired Members	56	55
Disabled Members	7	7
Other Beneficiaries	15	17
Total Inactive Members	<u>83</u>	<u>85</u>

SUMMARY OF MONTHLY BENEFIT PAYMENTS

	Prior Valuation	Current Valuation
Terminated Members - Vested	\$ 9,863	\$ 13,411
Retired Members	244,323	250,553
Disabled Members	22,689	22,860
Other Beneficiaries	46,502	53,106
Total Inactive Members	<u>\$ 323,377</u>	<u>\$ 339,930</u>

Monthly benefit payments shown for Terminated Members – Vested are not currently in pay status.





ACTUARIAL FUNDING POLICIES

Actuarial Cost Method
Financing Unfunded Actuarial Accrued Liability
Actuarial Value of Assets

ACTUARIAL FUNDING POLICIES

ACTUARIAL COST METHOD

The Actuarial Cost Method allocates the projected obligations of the Plan over the working lifetimes of the Plan Members.

In accordance with the Pension Fund's Funding Policy the Actuarial Cost Method for the Recommended Contribution basis is Entry Age Normal (Level Percent of Pay). The Entry Age Normal Cost Method is a method under which the Actuarial Present Value of the projected benefits of each individual included in an Actuarial Valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age. The portion of this Actuarial Present Value allocated to a valuation year is called Normal Cost. The portion of the Actuarial Present Value not provided at an Actuarial Valuation Date by the Actuarial Present Value of future Normal Costs is called the Actuarial Accrued Liability.

The Entry Age Normal method attempts to create a level cost pattern. In contrast to other Actuarial Cost Methods which inherently lead to uneven or less predictable cost patterns, the Entry Age Normal method is generally understood to be less risky in terms of contribution stability from year to year.

The Conference of Consulting Actuaries Public Plans Community produced a "white paper" detailing Funding Policy model practices for public sector pension plans. Under the Level Cost Actuarial Methodology ("LCAM"), one of the principal elements to a Funding Policy is the Actuarial Cost Method. When deciding which Actuarial Cost Method to use, several objectives may be considered, such as the following:

- Each Member's benefit should be funded under a reasonable allocation method by the expected retirement date
- Pay-related benefit costs should reflect anticipated pay at retirement
- The expected cost of each year of service (i.e. Normal Cost) for each active Member should be reasonably related to the expected cost of that Member's benefit
- The Member's Normal Cost should emerge as a level percent of Member compensation
- No gains or losses should occur if all assumptions are met.

Following these criteria, the use of the Entry Age Normal Cost Method (Level Percent of Pay) is a model practice.

FINANCING UNFUNDED ACTUARIAL ACCRUED LIABILITY

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

When amortizing the Unfunded Actuarial Accrued Liability as a level percentage of payroll, additional risk is incurred since the amortization payments in the early years of the payment period may not be large enough to cover the interest accrued on the existing Unfunded Liability. As a result, the Unfunded



ACTUARIAL FUNDING POLICIES

Liability may increase initially, before the amortization payments grow large enough to cover all interest accruals. Generally speaking, the Plan Sponsor will be required to contribute a larger total contribution amount over the course of the funding period under a level percentage of payroll basis as compared to a level dollar payroll schedule.

The Government Finance Office Association notes that best practices in public pension finance include utilizing amortization periods that do not exceed 20 years. Longer amortization periods elevate the risk of failing to reduce any Unfunded Liability. For example, when the amortization payment in full only covers interest on the Unfunded Liability, but does not reduce the existing Unfunded Liability, the required contribution will increase in future years.

A second principal element under the Level Cost Actuarial Methodology described above is to establish an Amortization Policy that determines the length of time and the structure of the increase or decrease in contributions required to systematically fund the Unfunded Actuarial Accrued Liability. When deciding on the Amortization Policy, several objectives may be considered, such as the following:

- Variations in the source of liability changes (i.e. gains or losses, Plan changes, assumption changes) should be funded over periods consistent with an appropriate balance between the policy objectives of demographic matching and volatility management
- The cost changes in Unfunded Actuarial Accrued Liability should emerge as a level percentage of Member compensation

The LCAM model practices for the Amortization Policy include the following:

- Layered fixed period amortization by source
- Level percent of pay amortization
- An amortization period ranging from 15-20 years for experience gains or losses
- An amortization period of 15-25 years for assumption changes

In accordance with the Pension Fund's Funding Policy for the Recommended Contribution, the Unfunded Actuarial Accrued Liability is amortized by level percent of payroll contributions to a 100% funding target over the remaining 19 years. See the *Actuarial Methods – Recommended Contribution* section of this report for more detail.

We believe that the amortization period is appropriate for the purposes of this valuation.



ACTUARIAL FUNDING POLICIES

ACTUARIAL VALUE OF ASSETS

The Pension Fund is an ongoing plan. The Employer wishes to smooth the effect of volatility in the Market Value of Assets on the annual contribution. Therefore, the Actuarial Value of Assets is equal to the Market Value of Assets with unanticipated gains/losses recognized over a five-year period.

The Asset Valuation Method is intended to create an Actuarial Value of Assets that remains reasonable in relation to the Market Value of Assets over time. The method produces results that can fall either above or below the Market Value of Assets. The period of recognition is short.

It is intended that the period of recognition is short enough to keep the Actuarial Value of Assets within a decent range of the Market Value of Assets. In the event that the Actuarial Value of Assets exceeds or falls below a 10% corridor of the Market Value of Assets, the additional gain or loss will be recognized immediately.





ACTUARIAL ASSUMPTIONS

Nature of Actuarial Calculations
Actuarial Assumptions in the Valuation Process
Assessment of Risk Exposures
Limitations of Risk Analysis
Actuarial Assumptions Utilized

ACTUARIAL ASSUMPTIONS

NATURE OF ACTUARIAL CALCULATIONS

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

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

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

ACTUARIAL ASSUMPTIONS IN THE VALUATION PROCESS

The contributions and benefit values of the Pension Fund are calculated by applying actuarial assumptions to the benefit provisions and census data furnished, using the Actuarial Cost Method described in the *Actuarial Funding Policies* section of this report.

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

- Expected Rate of Return on Investments
- Patterns of Pay Increases for Members
- Rates of Mortality Among Active and Inactive Members
- Rates of Termination Among Active Members
- Rates of Disability Among Active Members
- Age Patterns of Actual Retirements

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

Details behind the selection of the actuarial assumptions can be found in the Actuarial Assumption Summary document provided to the client upon request. The client has reviewed and approved the assumptions as a reasonable expectation of the future anticipated experience under the Plan.



ACTUARIAL ASSUMPTIONS

ASSESSMENT OF RISK EXPOSURES

From time to time it becomes appropriate to modify one or more of the assumptions, to reflect experience trends (but not random year-to-year fluctuations). In addition, Actuarial Standards of Practice require that the Actuary minimally perform a qualitative assessment of key financial and demographic risks as part of the risk assessment process with each annual Actuarial Valuation. The risk assessments we perform include, but are not limited to, the following:

- Periodic demographic experience studies every 3 to 5 years to confirm the ongoing appropriateness of actuarial assumptions
- Highlight the impact of demographic experience over the past year, as well as other sources of change and volatility in the *Actuarial Recommended Contribution – Reconciliation* section of this report
- Detail year-over-year changes in contribution levels, assets, liabilities, and Funded Status in the *Recommended Contribution* and *Funded Status* sections in the *Management Summary* section of this report
- Review any material changes in the census as summarized in the *Actuarial Valuation Data* section of this report
- Provide and discuss the Actuarial Assumption Summary document highlighting the rationale for each key assumption chosen by the Board
- Identify potential Cash Flow Risk by highlighting expected benefit payments over the next 5-year and 10-year periods in the *Asset Growth* section in the *Management Summary* section of this report
- Describe the impact of any assumption, method, or policy change in the *Management Summary* section of this report
- Utilize supplemental information, such as the GASB Discount Rate sensitivity disclosures to understand, for example, what impact an alternative Expected Rate of Return on Investments assumption might have on the estimation of Actuarial Accrued Liability and Funded Status
- Utilize supplemental information, such as the GASB solvency test, to better understand the Cash Flow Risk and long-term sustainability of the Plan.

LIMITATIONS OF RISK ANALYSIS

Since future experience may never be precisely as assumed, the process of selecting funding methods and actuarial assumptions may inherently create risk and volatility of results. A more detailed evaluation of the above risk exposures is beyond the scope and nature of the annual Actuarial Valuation process. For example, scenario tests, sensitivity tests, stress tests, and/or stochastic modeling for multi-year projections to assess the impact of alternative assumptions and methods, or modeling future experience different from the assumptions in these results, are not included in this Actuarial Valuation.

The Quincy Police Pension Fund and/or the City of Quincy, Illinois should contact the Actuary if they desire a more detailed assessment of any of these forward-looking risk exposures.



ACTUARIAL ASSUMPTIONS

ACTUARIAL ASSUMPTIONS UTILIZED

Expected Rate of Return on Investments	6.50% Net of Administrative Expense
CPI-U	2.25%
Total Payroll Increases	3.25%
Individual Pay Increases*	3.75% - 10.89%

Individual pay increases include a long-term average increase for inflation, average annual increases for promotions, and any additional increases for a step program. Sample rates are as follows:

Service	Rate	Service	Rate
0	8.35%	8	3.75%
1	8.00%	9	3.75%
2	7.70%	10	3.75%
3	7.41%	15	3.75%
4	10.89%	20	3.75%
5	3.75%	25	3.75%
6	3.75%	30	3.75%
7	3.75%	35	3.75%

*Individual pay increases for active Members hired at age 40 or older are assumed annual increases at the ultimate rate reduced by 50 basis points, without adjustments in early service years.

Retirement Rates

100% of the L&A Assumption Study for Police 2020 Cap Age 65. Sample rates are as follows:

Age	Rate	Age	Rate
50	11.00%	53	12.73%
51	11.55%	54	13.37%
52	12.13%	55	14.04%



ACTUARIAL ASSUMPTIONS

Termination Rates

100% of the L&A Assumption Study for Police 2020. Sample rates are as follows:

Age	Rate	Age	Rate
25	8.00%	40	2.17%
30	3.40%	45	1.56%
35	2.79%	50	0.46%

Disability Rates

100% of the L&A Assumption Study for Police 2020. Sample rates are as follows:

Age	Rate	Age	Rate
25	0.00%	40	0.38%
30	0.06%	45	0.53%
35	0.18%	50	0.48%

65% of active Members who become disabled are assumed to be in the Line of Duty.

Mortality Rates

Active Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study. Mortality improvement uses MP-2019 Improvement Rates applied on a fully generational basis.

50% of active Member deaths are assumed to be in the Line of Duty.

Retiree Mortality follows the L&A Assumption Study for Police 2020. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2017 using MP-2019 Improvement Rates. These rates are then improved fully generationally using MP-2019 Improvement Rates.

Disabled Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010 Study for disabled participants. Mortality improvement uses MP-2019 Improvement Rates applied on a fully generational basis.

Spouse Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study for contingent survivors. For all rates not provided there (ages 45 and younger) the PubG-2010 Study for general employees was used. Mortality improvement uses MP-2019 Improvement Rates applied on a fully generational basis.



ACTUARIAL ASSUMPTIONS

Marital Assumptions

Active Members: 80% of active Members are assumed to be married. Female spouses are assumed to be 3 years younger than male spouses.

Retiree and Disabled Members: Actual spousal data was utilized for retiree and disabled Members.





SUMMARY OF PRINCIPAL PLAN PROVISIONS

Establishment of the Fund
Administration
Member Contributions
Regular Retirement Pension Benefit
Early Retirement Pension Benefit
Surviving Spouse Benefit
Termination Benefit – Vested
Disability Benefit

SUMMARY OF PRINCIPAL PLAN PROVISIONS

ESTABLISHMENT OF THE FUND

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

ADMINISTRATION

The Police Pension Fund is administered by a Board of Trustees whose duties are to manage the Pension Fund, determine applications for pensions, authorize payment of pensions, establish rules, pay expenses, invest assets, and keep records.

MEMBER CONTRIBUTIONS

Members contribute 9.910% of pensionable salary.

REGULAR RETIREMENT PENSION BENEFIT

Hired Prior to January 1, 2011

Eligibility: Age 50 with at least 20 years of creditable service.

Benefit: 50% of final salary for the first 20 years of service, plus an additional 2.5% of final salary for each year of service beyond 20 years of service, and not to exceed 75% of final salary. “Final salary” is based on the police officer’s pensionable salary attached to rank held on the last day of service, unless the pensionable salary was greater at some point within the year prior to the last day of service. If so, the pensionable salary is averaged over the last 12 months.

Annual Increase in Benefit: A police officer is entitled to receive an initial increase equal to 1/12 of 3% of the original monthly benefit for each full month that has passed since the pension began. The initial increase date will be the latter of the first day of the month after the pensioner turns age 55 or the first day of the month after the benefit date anniversary. Subsequent increases of 3% of the current monthly benefit will be granted every January 1st thereafter.



SUMMARY OF PRINCIPAL PLAN PROVISIONS

REGULAR RETIREMENT PENSION BENEFIT - CONTINUED

Hired on or After January 1, 2011

Eligibility: Age 55 with at least 10 years of creditable service.

Benefit: 2.5% of final average salary for each year of service, and not to exceed 75% of final average salary. "Final average salary" is determined by dividing the total pensionable salary during 48 consecutive months of service within the last 60 months of service in which total pensionable salary was the highest, by the number of months of service in that period (or by dividing the total pensionable salary during 96 consecutive months of service within the last 120 months of service in which total pensionable salary was the highest, by the number of months of service in that period, if greater). Annual salary for this purpose will not exceed the salary cap, indexed by the lesser of 3% or the CPI-U for the 12 months ending with the September preceding each November 1st. The salary cap will not decrease.

Annual Increase in Benefit: The initial increase date will be the latter of the January 1st after the pensioner turns age 60 or the January 1st after the benefit date anniversary. Subsequent increases will be granted every January 1st thereafter. The initial increase and subsequent increases will be the lesser of 3% of the original benefit or ½ of the CPI-U for the 12 months ending with the September preceding each November 1st.

EARLY RETIREMENT PENSION BENEFIT

Hired Prior to January 1, 2011

None.

Hired on or After January 1, 2011

Eligibility: Age 50 with at least 10 years of creditable service.

Benefit: The regular retirement pension benefit reduced by ½ of 1% for each month that the police officer's age is between 50 and 55.

Annual Increase in Benefit: The initial increase date will be the latter of the January 1st after the pensioner turns age 60 or the January 1st after the benefit date anniversary. Subsequent increases will be granted every January 1st thereafter. The initial increase and subsequent increases will be the lesser of 3% of the original benefit or ½ of the CPI-U for the 12 months ending with the September preceding each November 1st.



SUMMARY OF PRINCIPAL PLAN PROVISIONS

SURVIVING SPOUSE BENEFIT

Hired Prior to January 1, 2011

Eligibility: Married to an active police officer with at least 8 years of creditable service, a disabled pensioner at the time of death, or a retired pensioner on the last day of service.

Active Line of Duty Death Benefit: An eligible surviving spouse is entitled to receive 100% of the police officer's final pensionable salary attached to rank held on the last day of service.

Non-Duty Death Benefit:

Disabled or Retired Pensioner: An eligible surviving spouse is entitled to receive the pensioner's benefit at the time of death.

Active Member with 20+ Years of Service: An eligible surviving spouse is entitled to the police officer's eligible benefit at the time of death.

Active Member with 10-20 Years of Service: An eligible surviving spouse is entitled to receive 50% of the police officer's pensionable salary attached to rank held on the last day of service, unless the pensionable salary was greater at some point within the year prior to the last day of service. If so, the pensionable salary is averaged over the last 12 months.

Annual Increase in Benefit: None.

Hired on or After January 1, 2011

Eligibility: Married to an active police officer with at least 8 years of creditable service, a disabled pensioner at the time of death, or a retired pensioner on the last day of service.

Active Line of Duty Death Benefit: An eligible surviving spouse is entitled to receive 100% of the police officer's final pensionable salary attached to rank held on the last day of service.

Non-Duty Death Benefit:

Disabled or Retired Pensioner, Active Member with 20+ Years of Service, and Active Member with 10-20 Years of service: An eligible surviving spouse is entitled to receive the greater of 66⅔% of the police officer's earned pension benefit at the time of death or 54% of the police officer's monthly salary at the time of death.

Annual Increase in Benefit: The initial increase date will be the January 1st after the surviving spouse turns age 60. Subsequent increases will be granted every January 1st thereafter. The initial increase and subsequent increases will be the lesser of 3% of the original benefit or ½ of the CPI-U for the 12 months ending with the September preceding each November 1st.



SUMMARY OF PRINCIPAL PLAN PROVISIONS

TERMINATION BENEFIT – VESTED

Hired Prior to January 1, 2011

Eligibility: Age 60 with at least 8 but less than 20 years of creditable service.

Benefit: 2.5% of final salary for each year of service. “Final salary” is based on the police officer’s pensionable salary attached to rank held on the last day of service, unless the pensionable salary was greater at some point within the year prior to the last day of service. If so, the pensionable salary is averaged over the last 12 months.

Annual Increase in Benefit: A police officer is entitled to receive an initial increase equal to 1/12 of 3% of the original monthly benefit for each full month that has passed since the pension began. The initial increase date will be the first day of the month after the benefit date anniversary. Subsequent increases of 3% of the current monthly benefit will be granted every January 1st thereafter.

Hired on or After January 1, 2011

None.



SUMMARY OF PRINCIPAL PLAN PROVISIONS

DISABILITY BENEFIT

Hired Prior to January 1, 2011

Eligibility: Duty or Non-Duty Disability or Occupational Disease Disability with at least 5 years of creditable service.

Benefit: For a duty disability or an occupational disease disability with at least 5 years of creditable service, a police officer is entitled to receive the greater of 65% of final salary or the regular retirement pension benefit at the time of disability. For a non-duty disability, a police officer is entitled to receive 50% of final salary. “Final salary” is based on the police officer’s pensionable salary attached to rank held on the last day of service.

Annual Increase in Benefit: A police officer is entitled to receive an initial increase equal to 3% of the original monthly benefit for each full year that has passed since the pension began. The initial increase date will be the latter of the January 1st after following pensioner turns age 60 or the January 1st after the benefit date anniversary. Subsequent increases of 3% of the original monthly benefit will be granted every January 1st thereafter.

Hired on or after January 1, 2011

Eligibility: Duty or Non-Duty Disability or Occupational Disease Disability with at least 5 years of creditable service.

Benefit: For a duty disability or an occupational disease disability with at least 5 years of creditable service, a police officer is entitled to receive the greater of 65% of final salary or the regular retirement pension benefit at the time of disability. For a non-duty disability, a police officer is entitled to receive 50% of final salary. “Final salary” is based on the police officer’s pensionable salary attached to rank held on the last day of service.

Annual Increase in Benefit: A police officer is entitled to receive an initial increase equal to 3% of the original monthly benefit for each full year that has passed since the pension began. The initial increase date will be the latter of the January 1st after following pensioner turns age 60 or the January 1st after the benefit date anniversary. Subsequent increases of 3% of the original monthly benefit will be granted every January 1st thereafter.





GLOSSARY OF TERMS

Glossary of Terms

GLOSSARY OF TERMS

GLOSSARY OF TERMS

Actuarial Accrued Liability – The Actuarial Present Value of future benefits based on Members’ service rendered to the Measurement Date using the selected Actuarial Cost Method. It is that portion of the Actuarial Present Value of Plan benefits and expenses allocated to prior years of employment. It is not provided for by future Normal Costs.

Actuarial Cost Method – The method used to allocate the projected obligations of the Plan over the working lifetimes of the Plan Members.

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

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

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

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

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

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





Lauterbach & Amen, LLP

CERTIFIED PUBLIC ACCOUNTANTS

CITY OF QUINCY

DEPARTMENT OF PLANNING & DEVELOPMENT

706 Maine Street | Third Floor | Quincy, IL 62301

Office: 217-228-4515 | Fax: 217-221-2288



MEMORANDUM

TO: Mayor Moore and City Council

FROM: Chuck Bevelheimer

DATE: September 30, 2020

SUBJECT: Washington Theater Design Contract

The Washington Theater Commission voted to spend \$70,000 to develop an architectural plan that would document the proposed use of the theater, develop a layout for the building and cost estimate to renovate the 96-year old theater. The Architectural Plan is necessary to begin the fundraising phase of the project.

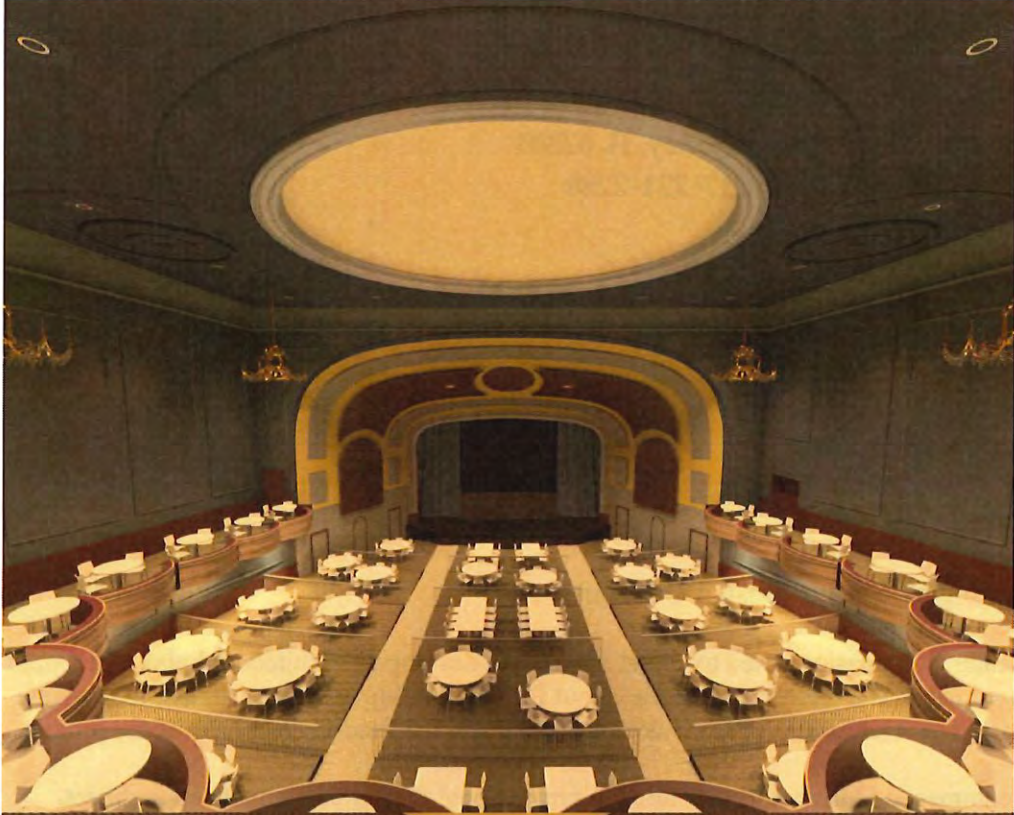
The Commission recommended hiring Killis Almond, a professional theater consultant and architect. Almond has been a key member in the renovation of more than 80 historic theaters similar to the Washington. The Commission is also working with Architechnics Inc., which was involved in the development of the Washington Theater feasibility study commissioned in 2006. Much of the theater documentation that took place in 2006 was completed by Killis Almond, which has reduced the cost of the Architectural Plan.

Funding for Plan is from fundraising efforts by the Friends of the Washington Theater. No city funds are request for the professional service. The Plan will reflect the goal of turning the former Vaudeville Theater into a multi-purpose facility that can host concerts, dinner theaters, wedding receptions, corporate meetings, film festivals and community events. Completion of the Plan will allow the Commission to start a fundraising committee to apply for local, state and federal grants as well as seek donation from the community.

Redevelopment of the Washington Theater is identified as one of the Place Strategies and as a potential economic engine for the City in the Quincy Next Strategic Plan.

To date almost \$700,000 has been raised to develop the Washington Theater. This money has been used to replace the roof, stabilize the building, restore the marquee and entrance and to fund the feasibility plan.

Since the Theater is a City-owned building, attached is a resolution authorizing the Washington Theater Commission to enter into contract with Killis Almond for architectural services. Below are concept images produced by Architechnics of Quincy that show one potential layout for the interior of the Washington Theater.



**RESOLUTION AUTHORIZING
RETANING KILLIS ALMOND ARCHITECTS**

WHEREAS, the Washington Theater located at 427 Hampshire is a City Owned building; and

WHEREAS, the Washington Theater Commission has been working on redeveloping the Washington Theater since 2003, and

WHEREAS since 2003 the Washington Theater Commission has sponsored numerous fund raisers to support redevelopment of the 96 year old Theater.

WHEREAS, the Washington Theater Commission recommends that Killis Almond Architects be hired to prepare an Architectural Plan for the Washington Theater at a cost of \$70,000 for the redevelopment of the Theater.

NOW, THEREFORE BE IT RESOLVED that the City's Planning Director recommends to the Mayor and City Council that Killis Almond Architects be retained for Professional Services under the City's Purchasing Manual to provide consultant services for preparing the Architectural Plan for the Washington Theater in the amount of \$70,000.

FURTHER BE RSOLVED the Mayor and City Clerk be authorized to execute the AIA Agreement between the City of Quincy and Killis Almond Architects.

This Resolution shall be in full force and effect from and after its passage, as provided by law.

PASSED and APPROVED this day of , 2020.

SIGNED:

Kyle A. Moore, Mayor

ATTEST:

Jenny Hayden, City Clerk

CITY OF QUINCY

Department of Utilities and Engineering

City Hall, Second Floor, 730 Maine Street
Quincy, Illinois 62301

To: Mayor & City Council

From: J. Conte

cc:

Date: October 2, 2020

Subject: Resolutions for October 5th Council Meeting

Water Supply Improvement Construction Contract (Fund 501)

The City opened bids for Phase 2 Water Supply Improvements, which includes rehabilitation of Filters #1-#6, replacement of the filter backwash fill system, structural repairs to the WTP building and related work. The existing filters are significantly deteriorated and are presently only capable of treating about 65% of what they should.



Three bids were received:

Leander Construction (Canton, IL)	\$6,098,000
Plocher Construction (Highland, IL)	\$6,990,000
L. Keely Construction (St. Louis, MO)	\$7,261,917

The project budget was \$7 million, with \$4.4 million in available IEPA loan funding and the balance coming from existing cash reserves.

The Utilities Committee considered this matter and recommended award of the contract to the low bidder.

CITY OF QUINCY

Department of Utilities and Engineering

City Hall, Second Floor, 730 Maine Street
Quincy, Illinois 62301

Dump Truck Purchase (Fund 501)

The City advertised for proposals to purchase a single axle, Class 8 heavy-duty truck with stainless steel dump body, snow plow, salt spreader and pre-wet tank. Three vendors submitted proposals:

Vendor	Vehicle Manufacturer & Model Engine Specs Transmission Specs	Price	Delivery
Rush Truck Center	International HV507 Engine – Cumins L9 350 HP @2000 RPM/1150 ft-lb @ 1400 RPM Transmission – Allison 3000 RDS	\$138,622	100 days after PO
Midway Freightliner	Freightliner 108SD Engine – Detroit Diesel DD8 330 HP @2200 RPM/1000 ft-lb @ 1200 RPM Transmission – Allison 3500 RDS	\$139,725	30 days after PO
Midway Freightliner	Freightliner 108SD Engine – Detroit Diesel DD8 330 HP @2200 RPM/1000 ft-lb @ 1200 RPM Transmission – Allison 3500 RDS	\$139,762	120 days after PO
CIT Trucks	Kenworth T470 Engine – Paccar PX-9 350 HP @ 2000 RPM/1150 ft-lb @ 1400 RPM Transmission – Allison 3000RDS	\$146,442	160 days after PO

This truck is intended to replace Water Distribution truck #35, which is a 1995 International 4900.

The Utilities Committee considered this matter and recommended purchase of the International HV507 from Rush Truck Center.

Light Duty Truck Purchase (Fund 501 & 603)

The Department advertised for bids to supply two light-duty trucks (i.e., passenger duty pick-up trucks) for use by the Water Department. Two bids were received:

Gem City Ford	\$58,250
Tiles in Style, LLC (Naperville, IL)	\$79,786

The new Ford F-150s are being purchased to a 2008 Ford Ranger (Truck #61) and a 2008 Ford F-250 (Truck #76). These two vehicles will be sold at a later date by auction.

Trucks #61 and #76 both were purchased using Sewer Fund money and remained in that department until recently. There is roughly \$60,000 in Vehicle Replacement funds for these

CITY OF QUINCY

Department of Utilities and Engineering

City Hall, Second Floor, 730 Maine Street
Quincy, Illinois 62301

two trucks, however \$55,000+ was contributed by the Sewer Fund and is therefore not available for Water Department. These trucks will be purchased with Water Fund cash reserves and roughly \$5,000 in Vehicle Replacement Funds contributed by the Water Fund.

The Utilities Committee considered this matter and recommended purchase of the two light duty trucks from Gem City Ford.

Utility-Billing Related Purchases (Fund 501)

The Department is request permission to complete the following transactions to support water and sewer billing:

- Renew Beacon billing software annual subscription with Badger Meter (\$13,212.46);
- Purchase three hundred (300) Badger Beacon cellular-based, automatic meter readers from the designated distributor Midwest Meter (\$55,500); and
- Purchase five hundred (500) Badger 5/8" residential water meters from the designated distributor Midwest Meter (\$23,400)

The Utilities Committee considered this matter and recommended renewal of the software subscription and purchase of the meters and automatic meter readers.

If you have any questions or concerns about these matters, please feel free to contact me.

RESOLUTION

WHEREAS, the City of Quincy recently advertised for bids for the Water Supply Improvement Project Phase 2 which includes the rehabilitation of filters #1-#6, replacement of the filter backwash fill system, structural repairs to the Water Treatment Plant building and other related work; and,

WHEREAS, the following bids were received:

L. Keeley Construction St. Louis, Missouri	\$7,261,917.00
Plocher Construction Highland, Illinois	\$6,990,000.00
Leander Construction Canton, Illinois	\$6,098,000.00
Engineers Estimate	\$7,000,000.00

WHEREAS, the Director of Utilities and Engineering has reviewed these bids and finds the low bid of Leander Construction of Canton, Illinois to be acceptable; and,

WHEREAS, this project will be funded through the Illinois Environmental Protection Agency's low interest loan program and Water Fund cash reserves; and,

WHEREAS, to allow for the uninterrupted progression of this project in the event that changes or modifications are required, an additional 10 percent over the amount of the low bid shall be included in the encumbrance for this project; now,

THEREFORE BE IT RESOLVED, that the Director of Utilities and Engineering and Utilities Committee recommend to the Mayor and Quincy City Council that the low bid from Leander Construction of Canton, Illinois in the amount of \$6,098,000.00 accepted and that the Mayor be authorized to sign the contract documents.

Jeffrey Conte, P.E.
Director of Utilities & Engineering

October 5, 2020

RESOLUTION

WHEREAS, the City of Quincy has implemented an automated meter reading (AMR) program utilizing Badger Orion radio frequency units to secure readings from residential, commercial and industrial customers in an effort to minimize accessibility problems and reduce the number of estimated billings; and,

WHEREAS, in conjunction with the AMR Program, an aggressive meter replacement policy was also adopted, whereby all positive displacement meters in service for a period that exceeds the AWWA standard of ten-years, are reviewed annually and are replaced with new units capable of measuring extremely low flow rates; and,

WHEREAS, a quote from Midwest Meter, Inc. of Edinburg, Illinois has been received in the amount of \$23,400.00 for five hundred (500) RCDL M25 5/8" bare disk meters; and,

WHEREAS, due to the uniqueness of the hardware/software utilized in the Orion meter management systems and its integration with the city's current automated meter system, the Director of Utilities and Director of Purchasing have determined that Midwest Meter, Inc., of Edinburg, Illinois qualifies as a sole source provider; and,

WHEREAS, funding for this purchase is available in the 2020/2021 Water Fund fiscal year budget; now,

THEREFORE BE IT RESOLVED, the Director of Utilities and Engineering and Utilities Committee recommend to the Mayor and Quincy City Council that normal bidding requirements be waived and the quote of Midwest Meter, Inc. of Edinburg, Illinois in the amount of \$23,400.00 be accepted.

Jeffrey Conte, P.E.
Director of Utilities & Engineering

October 5, 2020

RESOLUTION

WHEREAS, the Department of Utilities planned the replacement of a 1995 International 4900 truck chassis and dump body in the current fiscal year due to normal wear and tear; and,

WHEREAS, the City of Quincy recently sought Requests for Proposals for the replacement this truck chassis and dump body; and,

WHEREAS, three (3) proposals were received and the Director of Utilities and Engineering has reviewed these proposals and finds them to be acceptable; and,

WHEREAS, the proposal from Rush Truck Center of Quincy, Illinois offers the City the purchase of a 2021 International HV507 Single Axle Chassis and Stainless Steel Dump Body at the price of \$138,622; and,

WHEREAS, funding for this purchase is available in 2020/2021 Water Fund fiscal year budget; now,

THEREFORE BE IT RESOLVED, that the Director of Utilities and Engineering and the Utilities Committee recommend to the Mayor and Quincy City Council that the purchase of a 2021 International HV507 Single Axle Chassis and Stainless Steel Dump Body from Rush Truck Center of Quincy, Illinois in the amount of \$138,622.00 be approved.

Jeffrey Conte, P.E.
Director of Utilities & Engineering

October 5, 2020

RESOLUTION

WHEREAS, the Ellington Road Pump Station is a triplex (three pump) packaged pump station that serves commercial and industrial properties north of Quincy; and,

WHEREAS, one (1) of the three pumps had become inoperable and required replacement; and,

WHEREAS, an invoice has been received from Smith & Loveless, the manufacturer of the pump, in the amount of \$13,007.00 for the purchase of the replacement pump; and,

WHEREAS, the Director of Utilities and Engineering has reviewed the invoice and finds it be acceptable; and,

WHEREAS, funding for this expense is available in the 2020/2021 Sewer Fund fiscal year budget; now,

THEREFORE BE IT RESOLVED, that the Director of Utilities and Engineering and Utilities Committee recommend to the Mayor and Quincy City Council that normal bidding requirements be waived and the invoice from Smith & Loveless, Inc. of Lenexa, Kansas in the amount of \$13,007.00 be approved for payment.

Jeffrey Conte, P.E.
Director of Utilities & Engineering

October 5, 2020

RESOLUTION

WHEREAS, the City of Quincy utilizes an automated meter reading (AMR) program utilizing Badger Orion cellular remote units to secure readings from residential, commercial and industrial customers in an effort to minimize accessibility problems and reduce the number of estimated billings; and,

WHEREAS, the Department of Utilities requires the purchase of three-hundred (300) Badger M-25 cellular remote meter readers for the replacement of old meters and installation of new meters; and,

WHEREAS, a quote from Midwest Meter, Inc. of Edinburg, Illinois has been received in the amount of \$55, 500.00 for three-hundred (300) Badger M-25 cellular remote meter readers; and,

WHEREAS, due to the uniqueness of the hardware/software utilized in the Orion meter management systems and its integration with the City's current automated meter system, the Director of Utilities and Director of Purchasing have determined that Midwest Meter, Inc., of Edinburg, Illinois qualifies as a sole source provider; and,

WHEREAS, funding for this purchase is available in the 2020/2021 Water Fund fiscal year budget; now,

THEREFORE BE IT RESOLVED, the Director of Utilities and Engineering and Utilities Committee recommend to the Mayor and Quincy City Council that normal bidding requirements be waived and the quote of Midwest Meter, Inc. of Edinburg, Illinois in the amount of \$55,500.00 be accepted.

Jeffrey Conte, P.E.
Director of Utilities & Engineering

October 5, 2020

RESOLUTION

WHEREAS, the Department of Utilities and Engineering requested bids to furnish two (2) light duty pick-up trucks to replace aging vehicles in the Water Department; and,

WHEREAS, the following bids were received:

Gem City Ford Quincy, Illinois	\$58,250.00
Tiles in Style, LLC Naperville, Illinois	\$79,786.00

WHEREAS, the bid has been reviewed by the Director of Utilities and Engineering and found to be acceptable; and,

WHEREAS, funding for the purchase of the vehicles is available in the 2020/2021 Water Fund fiscal year budget; now,

THEREFORE BE IT RESOLVED, that the Director of Utilities and Engineering and Utilities Committee recommend to the Mayor and Quincy City Council that the purchase of two (2) 2021 Ford F-150 4x4 pick-up trucks from Gem City Ford of Quincy, Illinois in the amount totaling \$58,250.00 be approved.

Jeffrey Conte, P.E.
Director of Utilities & Engineering

October 5, 2020

RESOLUTION

WHEREAS, the storm water return pumps at the Waste Water Treatment Plant were damage and required immediate repair; and,

WHEREAS, Richards Electric of Quincy was qualified and available to make the repair in a timely manner under Section 44.056 of the Municipal Code of the City of Quincy; and,

WHEREAS, the repair work has been completed in a satisfactory manner and an invoice received in the amount of \$24,273.12 for all costs associated with this work; and,

WHEREAS, funds for the repair are available in the 2020/2021 Sewer Fund fiscal year budget; now,

THEREFORE BE IT RESOLVED, that the Director of Utilities and Engineering and Utilities Committee recommend to the Mayor and Quincy City Council that normal bidding requirements be waived and the invoice from Richards Electric of Quincy, Illinois in the amount of \$24,273.12 be approved for payment.

Jeffrey Conte, P.E.
Director of Utilities & Engineering

October 5, 2020

RESOLUTION

WHEREAS, the Department of Utilities and Engineering utilizes the use of automatic meter reading (AMR) software for the reading of water meters and transmittal of data for accurate billing of residential, commercial and industrial water customers; and

WHEREAS, the Department of Utilities has received an invoice from Badger Meter of Milwaukee, Wisconsin in the amount of \$13,212.46 for the renewal of a cellular-based automatic meter reading software; and,

WHEREAS, the Director of Utilities and Engineering has reviewed this invoice and finds it to be acceptable; and,

WHEREAS, due to the uniqueness of the hardware/software utilized in the Orion meter management systems and its integration with the City's current automated meter system, the Director of Utilities and Director of Purchasing have determined that Badge Meter of Milwaukee, Wisconsin qualifies as a sole source provider; and,

WHEREAS, funding for this expense is available in the 2020/2021 Water Fund fiscal year budget; now,

THEREFORE BE IT RESOLVED, the Director of Utilities and Engineering and Utilities Committee recommend to the Mayor and Quincy City Council that normal bidding requirements be waived and the invoice from Badge Meter of Milwaukee, Wisconsin in the amount of \$13,212.46 be approved for payment.

Jeffrey Conte, P.E.
Director of Utilities and Engineering

October 5, 2020

CITY OF QUINCY

DEPARTMENT OF PLANNING & DEVELOPMENT

706 Maine Street | Third Floor | Quincy, IL 62301

Office: 217-228-4515 | Fax: 217-221-2288



MEMORANDUM

TO: Mayor Moore and City Council
FROM: Chuck Bevelheimer
DATE: September 30, 2020
SUBJECT: Annexation of 1700 & 1708 Hamann Lane and Surrounding Properties.

1700 & 1708 Hamann Lane are each contiguous to the city corporate limits and are each served by city water. City code states properties contiguous to the city and served by city water are to be annexed.

The annexation of 1700 & 1708 Hamann Lane will result in 14 acres of land south of Hamann Lane being surrounded by the corporate boundary. 13 properties are zoned for single-family residential use. One parcel, 1622-1624 Highland Lane (Wellman) is registered as a nonconforming use as a florist, greenhouse, gift store and warehouse. Attached is a map that identifies the properties that will be surrounded by the city following the annexations of 1700 & 1708 Hamann Lane. The properties in yellow have city water service. None of the properties have city sewer service. Four properties are vacant lots.

Per Ordinance 53.10 – Annexation Petitions require city staff to evaluate the benefit and cost of property annexations. The attached spreadsheet shows the properties that are eligible for annexation by address, owner, EAV and if annexed, the city's share of property tax revenues. If these properties were in the city, the portion of the 2019 real estate taxes paid to the city in 2020 would be \$6,897.27.

The state-shared municipal revenue forecast for Municipal Fiscal Year 2020 was \$179.21 per person. Thus, the 13 properties with homes would generate \$4,658 per year based on two persons per parcel. The state-shared municipal revenue includes, but is not limited to, the Local Government Distributive Fund, the State Use Tax and the Motor Fuel Tax.

The surrounding property annexation includes 4 vacant, buildable lots. The EAV of those lots would increase exponentially if new homes were constructed, resulting in a significant increase in the city's property tax base. The Pfanschmidt property at 1700 Kochs Lane is a 2.2 acre lot that has an extremely low EAV (\$55,570) due to the home being in significant disrepair. The property has significant redevelopment potential if it were to be developed, thus increasing the city's EAV and tax base.

Currently, Highland Lane is being resurfaced with storm-sewer improvements (\$944,000). Hamann Lane is scheduled to be reconstructed (\$870,000) with water-line extensions from 14th to 12th Streets next year. Jeffrey Conte will provide a letter addressing cost of providing sewer service to this area.

Under state law, municipalities are authorized to annex areas that are less than 60 acres and completely surrounded by the municipality. Attached is the procedure to annex surrounding territory into the city, which includes the City Council approving a resolution to annex surrounding property and notices being sent to the property owners and local taxing jurisdictions.

Attached for your consideration is an ordinance annexing 1700 & 1708 Hamann Lane.

Hamann Lane

Highland Lane

Kochs Lane

S. 18th Street

All properties shown would be in Ward 1
(Boundary is N. 18th Street)

Properties with City Water (Yellow)

- A - 1700 Hamann - Robert & Della Wolter
- B - 1708 Hamann - Randall & Wanda Goehl (Trustees)
- J - 1730 Highland - Zachary & Tori Campbell
- K - 2917 N. 18th - Cory & Erica Shupe
- L - 2823 N. 18th - Richard & Mary Lou Gengenbacher
- N - 1629 Kochs - John & Constance Howser

Properties without City Water (Red)

- C - 3011 N. 18th - David & Marita Foxall
- D - 1701 Highland - Union United Methodist Church
- E - 1709 Highland - Tim & Deanna Zanger (Trustees)
- G - 1622 Highland - Stephen Wellman & Ann Riutzel
- O - 1723 Kochs - Tracy & Deborah Day
- P - 1725 Kochs - Katheryn Freeman
- Q - 1700 Kochs - Paul & EJ Pfanschmidt

Vacant Lots (Purple)

- F - 3003 N. 18th - Donald & Karen Campbell
- H - PIN: 22-0-0651-000-00 - Marc & Ann Riutzel
- I - PIN: 22-0-0650-000-00 - Stephen Wellman
- M - PIN: 22-0-6580-000-00 - Greg Ehrhardt

A B C

D E F

G H I J

K

L

M N O P

Q

Property	Owner	Ward	Structure	City Water	Fair Market Value	2020 EAV	2019 Taxable EAV	City Property Taxes
2823 N. 18th Street	Richard & Mary Lou Gengenbacher	1	Y	Y	\$187,710	\$62,570	\$49,390	\$532.03
2917 N. 18th Street	Cory & Erica Shupe	1	Y	Y	\$180,720	\$60,240	\$52,140	\$561.66
3011 N. 18th Street	David & Marita Foxall	1	Y	*	\$212,400	\$70,800	\$62,330	\$671.42
1700 Hamann Lane	Robert & Della Wolter	1	Y	Y	\$197,760	\$65,920	\$57,620	\$620.69
1708 Hamann Lane	Randall & Wanda Goehl (Trustees)	1	Y	Y	\$185,790	\$61,930	\$59,770	\$643.85
1622-1624 Highland Lane	Stephen Wellman & Ann Riutzel	1	Y	*	\$123,540	\$41,180	\$34,300	\$369.48
1701 Highland Lane	Union United Methodist Church	1	Y	*	\$0	\$0	\$0	\$0.00
1709 Highland Lane	Tim & Deanna Zanger (Trustees)	1	Y	*	\$250,380	\$83,460	\$74,550	\$803.06
1730 Highland Lane	Zachary & Tori Campbell	1	Y	Y	\$263,880	\$87,960	\$78,900	\$849.92
1629 Kochs Lane	John & Constance Howser	1	Y	Y	\$142,800	\$47,600	\$34,940	\$376.38
1700 Kochs Lane	Paul & EJ Pfanschmidt	1	Y	*	\$166,710	\$55,570	\$53,640	\$577.82
1723 Kochs Lane	Tracy & Deborah Day	1	Y	*	\$129,960	\$43,320	\$35,810	\$385.75
1725 Kochs Lane	Katheryn Freeman	1	Y	*	\$100,320	\$33,440	\$26,270	\$282.98
					\$2,141,970	\$713,990	\$619,660	\$6,675.04

1701 Highland - Tax Exempt

Property	Owner	Ward	Structure	City Water	Fair Market Value	2020 EAV	2019 Taxable EAV	City Property Taxes
3003 N. 18th Street	Donald & Karen Campbell	1	*	*	\$34,650	\$11,550	\$11,150	\$120.11
PIN 22-0-0651-000-00	Marc & Ann Riutzel	1	*	*	\$8,280	\$2,760	\$2,660	\$28.65
PIN 22-0-0650-000-00	Stephen Wellman	1	*	*	\$8,280	\$2,760	\$2,660	\$28.65
PIN 22-0-6580-000-00	Greg Ehrhardt	1	*	*	\$12,930	\$4,310	\$4,160	\$44.81
					\$64,140	\$21,380	\$20,630	\$222.23

Total	\$2,206,110	\$735,370	\$640,290	\$6,897.27
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ORDINANCE NO.

**AN ORDINANCE ANNEXING CERTAIN TERRITORIES TO
THE CITY OF QUINCY, ADAMS COUNTY, ILLINOIS**

WHEREAS, there was heretofore filed with the City Clerk of the city of Quincy, Illinois individual, written petitions by Robert & Della Wolter; and by Randall Goehl, requesting annexation of certain real estates and lands to the city of Quincy; and

WHEREAS, this City Council, after having examined said petitions and being familiar with the contents thereof, finds as follows:

A. That said petitioners are the owners of record of the lands, real estates and territories hereinafter described.

B. That petitioners are the only owners of record within said real estates and territories.

C. That said real estates, lands and territories are not within the corporate limits of any municipality, but are contiguous to, and immediately adjoin the corporate limits of the city of Quincy, Adams County, Illinois; and

WHEREAS, this City Council, after due consideration hereby concludes that the annexation to the city of Quincy of the real estates, lands and territories mentioned and described in said petition is in the public interest.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF QUINCY, IN ADAMS COUNTY, ILLINOIS, as follows:

Section 1. That the following territories which are not now within the corporate limits of the city of Quincy, but which are contiguous thereto, and which said territories are known and described as follows, to-wit:

Lot Twelve (12) in Schutte Subdivision, being a Subdivision of Lots Seventeen (17) and Eighteen (18) of the Subdivision of the Southwest Quarter of Section Twenty-four (24) in Township One (1) South of the Base Line, in Range Nine (9) West of the Fourth Principal Meridian, subject to Protective Covenants recorded in Book 77 of Miscellaneous at page 230, and to easements and restrictions as the same appear on record.

Commonly known as 1700 Hamann Lane
P.I.N.: 22-0-0588-011-00

Lot Number Eleven (11) in Schutte Subdivision, being a division of Lots Seventeen (17) and Eighteen (18) of the subdivision of the Southwest Quarter of Section Twenty Four in Township One (1) South of the Base Line, in Range Nine (9) West of the Fourth Principal Meridian, situated in the County of Adams, in the State of Illinois

Commonly known as 1708 Hamann Lane
P.I.N.: 22-0-0588-010-00

shall be and the same is hereby annexed to and made a part of and included within the corporate limits of the city of Quincy, Illinois.

Section 2. That the City Clerk shall be and is hereby authorized, empowered and directed to file and have recorded in the Office of the Recorder of Deeds in and for Adams County, Illinois, a certified copy of this ordinance, together with an accurate map of the territory hereto annexed, pursuant to statute in such case made and provided.

Section 3. That all ordinances and resolutions and parts thereof in conflict herewith are to the extent of such conflict, hereby repealed.

Section 4. This ordinance shall be in force and effect from and after its passage, approval and publication as provided by law.

ADOPTED:

CITY CLERK

APPROVED:

MAYOR

Officially published in pamphlet form this day of , 2020

ORDINANCE NO.

AN ORDINANCE GRANTING A SPECIAL USE PERMIT FOR A PLANNED DEVELOPMENT

WHEREAS, Vicki Kline did previously file a request for Approval of Conceptual Plan, Preliminary Plat and Final Plat with the City of Quincy, all in accordance with the Ordinances as provided; and,

WHEREAS, said Conceptual Plan and Preliminary and Final Plat have been approved by the City of Quincy, all in accordance with the Ordinances as provided; and,

WHEREAS, all requirements of Chapter 162 (Zoning Regulations) of the Municipal Code of the City of Quincy of 2015 have otherwise been complied with.

NOW, THEREFORE, pursuant to Chapter 162 of the Municipal Code of the City of Quincy of 2015, be it ordained by the Mayor and City Council for the City of Quincy, Adams County, Illinois, that a Special Permit for a Planned Development be and hereby is issued as follows:

SECTION 1. Legal Description: P.I.N.: 23-5-2223-000-00

A part of Lot Seventy-five (75) in C.F. Moulton's Survey and Plat of the Southeast Quarter (SE1/4) of Section Thirty-six (36) in Township One (1) South, Range Nine (9) West of the Fourth Principal Meridian, more particularly described as follows:

Commencing at the Northeast corner of Lot Seventy-five (75), thence West along the North line of said lot, One Hundred Ninety (190) feet; thence South parallel with the East line of said Lot, One Hundred Forty (140) feet; thence East parallel with the North line of said lot, One Hundred Ninety (190) feet to the East line of said Lot Seventy-five (75), and thence North along the said East line of said lot, One Hundred Forty (140) feet to the place of beginning, situated in the County of Adams, in the State of Illinois;

Excepting therefrom the following described tract of real estate:

Beginning at the Northeast corner of the aforementioned Lot Seventy-five (75), said point being 10.025 meters (32.89 feet) left of survey centerline FAU 7825 Station 29+860.810; thence South 0 degrees 46' 19" West along the East line of said Lot Seventy-five (75), a distance of 13.596 meters (44.61 feet) to a point 10.065 meters (38.02 feet) left of survey center line Station 29+847.212; thence North 15 degrees 19' 59" West, a distance of 14.210 Meters (46.62 feet) to a point 13.967 meters (45.82 feet) left of survey center line Station 29+860.876, said point also being on the North line of said Lot Seventy-five (75); thence South 88 degrees 26' 39" East along said North line, 3.943 meters (12.93 feet) to the point of beginning; and being more particularly described as follows:

Commencing at the Southeast corner of said Section Thirty-six (36), thence North 00 degrees 40' 24" East, along the East line of the Southeast Quarter (SE1/4) of said Section Thirty-six (36), a distance of 753.65 feet; thence North 88 degrees 33' 24" West, 30.94 feet to a found 1" iron pipe at the point of beginning; thence continuing North 88 degrees 33' 24" West, 190.02 feet to a found 1" iron pipe; thence North 00 degrees 39' 27" East, 140.24 feet to a found 1" iron pipe on

the South Right-Of-Way line of Oak Street; thence South 88 degrees 33' 19" East, along said line, 177.29 feet to the West Right-of-Way line of FAU 7825 (North 24th Street); thence South 15 degrees 15' 46" East, along said line, 46.82 feet; thence South 00 degrees 43' 30" West, 95.39 feet to the point of beginning;

All situated in the County of Adams and State of Illinois

SECTION 2. **Use:** Operate a single-seat eyebrow salon at 2336 Oak Street.

ADOPTED:

CITY CLERK

APPROVED:

MAYOR

Officially published in pamphlet form this day of , 2020.



CITY OF QUINCY

Comptroller's Office

Sheri L. Ray
Comptroller

CITY HALL – 730 MAINE STREET
Quincy, Illinois 62301-4056
217-228-4517

MEMORANDUM

TO: Mayor and City Council
FROM: Sheri Ray
DATE: October 2, 2020
SUBJECT: Supplemental Budget Ordinance

I have submitted the attached Budget Amendment Ordinance to the City Clerk for placement on the agenda for the October 5, 2020 Council Meeting.

The Special Capital Project Fund (Fund 309) is essentially the operating fund for the Washington Theatre. This supplemental increases fund revenues by \$70,000 for a donation by the Friends of Washington Theatre; and increases expenses of the fund by \$70,000 to pay the architectural fees to Killis Almond & Associates.

If you have any additional questions, please contact myself or Chuck Bevelheimer.

CC: Lonnie Dunn, Corporation Counsel
City Clerk Jenny Hayden
Jeff Mays
Chuck Bevelheimer

ORDINANCE NO. _____

AN ORDINANCE AMENDING THE 2020-2021 FISCAL YEAR BUDGET

WHEREAS, the City Council of the City of Quincy, Adams County, Illinois, hereinbefore adopted Ordinance No. 20-13, an annual budget for general corporate and special corporate purposes for the City of Quincy for the fiscal year beginning May 1, 2020 and ending April 30, 2021; and

WHEREAS, the City Council has determined that expenditures, as set forth in said ordinance for certain operations, acquisitions, and projects within and for the various departments of the City will exceed the amounts provided in said ordinance and which expenditure will increase the total annual budget; and,

WHEREAS, there exists certain revenues, not included in the annual budget, which are available for expenditure by the City; and,

WHEREAS, Section 43.18 (Annual budget-Council transfers, revisions, or amendments) of the Quincy City Code reserved to the City Council the authority to amend the annual budget to increase the budget (upon a two-thirds vote of the Council) provided funds are available for said increase; and,

WHEREAS, the Friends of Washington Theatre has raised funds which will be deposited with the Special Capital Projects Fund #309 as a donation and these funds were not included in the budget and will increase the budget; and,

WHEREAS, the additional funding will be used to pay for an architectural study to be performed by Killis Almond & Associates,

WHEREAS, the City is a home rule unit of local government under the Constitution of the State of Illinois, Article VII, Section 6 and this ordinance is adopted pursuant to said authority and the authority of Section 43.18 of the Quincy City Code.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND THE CITY COUNCIL OF THE CITY OF QUINCY, ADAMS COUNTY, ILLINOIS, as follows:

1. That the annual operating budget set forth in Ordinance No. 20-13 of the City of Quincy, be and is hereby amended by authorizing the increase in expenditure as follows:

2. **Special Capital Grant Fund #309:**

Increased Revenues:

Local Sources (309-0000-383-01-04) \$ 70,000

Increased Expenses:

Professional Services (309-1899-401-31-04) \$ 70,000

3. That this Ordinance shall be in full force and effect from and after its passage, approval, and publication in pamphlet form in accordance with law.

ADOPTED _____

City Clerk

APPROVED _____

Mayor

Officially published in pamphlet form this _____ day of _____, 2020.

THE CITY COUNCIL

OFFICIAL PROCEEDINGS

REGULAR MEETING

Quincy, Illinois, September 28, 2020

Due to COVID-19, President Donald Trump declared a national emergency on March 13, 2020, and Governor Pritzker issued an Executive Order on March 20, 2020.

Mayor Kyle A. Moore announced that City Council meetings will be closed to the public starting August 10, 2020.

The regular meeting of the City Council was held this day at 7:00 p.m. with Mayor Kyle A. Moore presiding.

The following members were physically present:

Ald. McKiernan, Entrup, Bergman, Bauer, Finney, Sassen, Rein, Mast, Reis, Holtschlag. 10.

Virtual: Ald. Holbrook, Farha, Awerkamp, Uzelac. 4.

The minutes of the regular meeting of the City Council held September 21, 2020, were approved as printed on a motion of Ald. Entrup. Motion carried.

Legal: Corporation Counsel: Lonnie Dunn.

The City Clerk presented and read the following:

PETITIONS

By the Quincy Elks Lodge #100 requesting permission to conduct a raffle and have the bond requirement waived from 10/1/20 to 11/14/20. The City Clerk recommends approval of the permit.

Ald. Holtschlag moved the prayer of the petitions be granted. Motion carried.

Special event application by Jennifer Dancer, Dancer Lover Foundation, requesting permission to hold a “Glow Row” on October 3rd from 7:00 p.m. to 11:00 p.m. She is requesting the closure of 6th St. between Maine and Hampshire St. Barricades needed. Attendance is estimated at over 100 which will be staggered throughout the event. The applicant has submitted all of the required documentation and approval is recommended by the Department of Utilities & Engineering.

Ald. Holtschlag moved the prayer of the petition be granted and the proper authorities notified. Motion carried.

Application for a revocable permit for encroachment of city right-of-way from Keith Teera, owner of 238 N. 12th, requesting permission to install an awning over city right-of-way on the north and west sides of the building at 238 N. 12th. The Utilities and Engineering presents this request subject to six conditions.

Ald. Holtschlag moved the prayer of the petitions be granted. Motion carried

REPORT OF THE TRAFFIC COMMISSION

Recommending the implementation of a “No Parking Zone” beginning at the radius of the southeast corner of 8th and Kentucky St. and extending two-hundred fifty (250) feet south to the alley entrance. The “No Parking Zone” will be in effect from 7:00 a.m. through 4:00 p.m. Monday through Friday.

Ald. Holtschlag moved the report be received and concurred in and an ordinance drafted. Motion carried.

REPORT OF THE QUINCY PLAN COMMISSION

Recommending approval of the special permit for a planned development to operate a single-seat eyebrow salon at 2336 Oak St.

Ald. Sassen moved the report be received and concurred in and an ordinance drafted. Motion carried.

REPORT OF THE ZONING BOARD OF APPEAL

Zoning Board of Appeals recommending the request to vary the fence requirement at 2101 Grove Avenue be denied.

Ald. Sassen moved to table for one week, seconded by Ald. Farha. Motion carried.

MAYOR’S APPOINTMENTS

By Mayor Kyle A. Moore making the re-appointment of Elaine Davis to the Quincy Housing Authority Board of Directors and appointment of Michele Monies Khoury to the Quincy Preservation Commission.

Ald. Reis moved the appointments be confirmed. Motion carried.

PROCLAMATION

By Kyle A. Moore proclaiming the month of October as “German-American Month.”
Ald. Holtschlag moved the proclamation be received and filed. Motion carried.

RESOLUTION

WHEREAS, the Department of Utilities and Engineering recently requested bids for the 2020 Motor Fuel Tax Funds (MFT) Asphalt Maintenance Program in the City of Quincy; and,

WHEREAS, the following bid was received:

Diamond Construction Company	
Quincy, IL	\$1,244,930.60
Engineer’s Estimate	\$1,209,945.00

WHEREAS, the bid has been reviewed by the Director of Utilities and Engineering and found to be acceptable; and,

WHEREAS, to allow for the uninterrupted progression of the project in the event that changes or modifications are required, an additional 10% over the amount of the bid shall be included in the encumbrance for this project; and,

WHEREAS, funding for this project is available in the 2020/2021 Motor Fuel Tax Fund fiscal year budget; now,

THEREFORE BE IT RESOLVED, that the Director of Utilities and Engineering and the Central Services Committee recommend to the Mayor and Quincy City Council that the bid of Diamond Construction Company of Quincy, Illinois, in the amount of \$1,244,930.60 be accepted, subject to approval by the Illinois Department of Transportation, and that the Mayor be authorized to sign the necessary contract documents.

Jeffrey Conte, P.E.
Director of Utilities & Engineering

Ald. Sassen moved for the adoption of the resolution, seconded by Ald. Holtschlag, and on the roll call each of the 14 Aldermen voted yea. Motion carried.

RESOLUTION

BE IT RESOLVED, by the Council of the City of Quincy Illinois that there is hereby appropriated the sum of One million three hundred seventy-eight thousand and 00/100 Dollars (\$1,378,000.00) of Motor Fuel Tax funds for the purpose of maintaining streets and highways under the applicable provisions of Illinois Highway Code from 05/01/20 to 04/30/21.

BE IT FURTHER RESOLVED, that only those operations as listed and described on the approved Estimate of Maintenance Costs, including supplemental or revised estimates approved in connection with this resolution, are eligible for maintenance with Motor Fuel Tax funds during the period as specified above.

BE IT FURTHER RESOLVED, that City of Quincy shall submit within three months after the end of the maintenance period as stated above, to the Department of Transportation, on forms available from the Department, a certified statement showing expenditures and the balances remaining in the funds authorized for expenditure by the Department under this appropriation, and

BE IT FURTHER RESOLVED, that the Clerk is hereby directed to transmit four (4) certified originals of this resolution to the district office of the Department of Transportation.

Ald. Sassen moved for the adoption of the resolution, seconded by Ald. Holtschlag, and on the roll call each of the 14 Aldermen voted yea. Motion carried.

REPORT OF FINANCE COMMITTEE

Quincy, Illinois, September 28, 2020

	Transfers	Expenditures	Payroll
City Hall.....		738.44	
Planning & Dev	500.00		
Cash Reserve to Transit Loan.....	8,500.00		
Cash Reserve to Airport Loan	(245,283.00)		
Building Maintenance.....		4,266.33	
Comptroller		5,000.00	
IT Department.....		208.82	
Police Department.....		16,024.63	
Fire Department		16,426.89	
Public Works.....		238.48	
Engineering		837.40	

Tax Distribution/Subsidies		231,622.54	
GENERAL FUND SUBTOTAL.....	(236,283.00)	275,363.53	0.00
Planning and Devel.....		5,768.80	
911 Surcharge Fund.....		1,364.55	
Traffic Signal Fund.....		30.62	
Police Donations Fund.....		195.47	
Crime Lab Fund.....		514.47	
Police Criminal Reg Fee.....		100.70	
Transit Fund.....		6,582.70	
Capital Projects Fund.....		479.26	
Special Tax Alloc - TIF #2.....		624,983.65	
2014 G/O Note Fund		12,460.01	
Water Fund		119,664.37	
Sewer Fund		41,385.18	
Quincy Regional Airport Fund.....		1,586.85	
Municipal Dock		12,536.25	
Recycle Fund		419.75	
Central Garage		10,294.51	
Self Insurance		2,043.28	
Health Insurance Fund.....		20,666.67	
Econ Dev Revolv Loan Fund		4,204.55	
Sister City Commission Fund.....		484.20	
Lincoln Bicentennial Comm.....		100.00	
BANK 01 TOTALS	(236,283.00)	1,141,229.37	0.00
ALL FUNDS TOTALS	(236,283.00)	1,141,229.37	

Jack Holtschlag
Anthony E. Sassen
Richie Reis
Finance Committee

Ald. Reis, seconded by Ald. Sassen, moved the reports be received and vouchers be issued for the various amounts and on the roll call each of the 14 Aldermen voted yea. Motion carried.

REQUEST TO SPEAK

Written request to speak by Marcel Wagner, president of the Great River Economic Development Foundation, concerning an update of GREDF’s performance on the Annual Work Plan.

All Aldermen received the letter and booklet at the 9/21/20 City Council Meeting.
The City Clerk read a synopsis of the report.

MOTIONS

Ald. Bergman made a motion stating “Having voted on the prevailing side by which the annexation ordinance failed last Monday, I moved to reconsider my vote and place the reconsideration of the annexation ordinance before the council on next week’s agenda,” seconded by Ald. Farha. Motion carried.

Ald. Rein referred to the Street Lights/Right of Way Committee the streetlight on Garden Court that is approximately half way down on that cul-de-sac and determine the best location with the electric located there. Motion carried.

The City Council adjourned at 7:18 p.m. on a motion of Ald. Holtschlag. Motion carried.

JENNY HAYDEN, MMC
City Clerk



CITY OF QUINCY

730 Maine St
Quincy, IL 62301

Personnel Committee Meeting

City Hall, Council Chambers

Monday, October 5, 2020

4:00 PM

The above-referenced meeting is closed to the public due to the COVID-19 pandemic. The city is providing remote access. You can request remote access to the meeting by calling emailing eclow@quincyl.gov prior to 11:00 am the day of the meeting.

Written comments will be accepted. Comments received prior to 11:00 am the day of the meeting will be read into record during the meeting. Comments can be emailed to eclow@quincyl.gov.

Agenda:

1. Approval of previous meeting minutes.
2. Human Resources Updates.
3. Public Comment (limited to three minutes per person).
4. Adjournment.

QUINCY NEIGHBORHOOD BEAUTIFICATION COMMITTEE

October 5th, 2020

6.00 pm

Quincy City Council Chambers
Quincy City Hall (1st Floor) 730 Maine St.



The above-referenced meeting is closed to the public due to the COVID-19 pandemic. The city is providing remote access. You can request remote access to the meeting by calling 217-221-3663 or emailing jparrott@quincyl.gov prior to 2:00 pm the day of the meeting.

Written comments will be accepted. Comments received prior to 2:00 pm the day of the meeting will be read into the record during the meeting. Comments can be mailed to "Quincy Preservation Commission – 706 Maine St. (3rd Floor) – Quincy, IL 62301" or emailed to jparrott@quincyl.gov.

AGENDA

1. Call the Meeting to Order
2. Approve Minutes from the Monday , September 8th Meeting
3. Discussion on:
 - A. Nuisance Status
 - 220 Oak Nuisance Property
 - 804, 818, 826 N. 5th St
 - 215 Sycamore
 - B. Land Bank Program Update
4. New Business
 - A. Breakdown of Tall Grass & Weed Nuisances 3-1-20 to 9-22-20
 - B. Property Stats from Strong Community Grant
 - C. Abandon Vehicles - Justin Boyd
 - D. Wrap-Up Report
5. Public Comment
6. Adjournment

Next Meeting November 2nd

Quincy Preservation Commission

Tuesday, October 6, 2020

7:30 p.m.

Quincy City Council Chambers

Quincy City Hall (1st Floor) – 730 Maine Street



The above-referenced meeting is closed to the public due to the COVID-19 pandemic. The city is providing remote access. You can request remote access to the meeting by calling 217-221-3663 or emailing jparrott@quincyl.gov prior to 2:00 pm the day of the meeting.

Written comments will be accepted. Comments received prior to 2:00 pm the day of the meeting will be read into the record during the meeting. Comments can be mailed to “Quincy Preservation Commission – 706 Maine St. (3rd Floor) – Quincy, IL 62301” or emailed to jparrott@quincyl.gov .

AGENDA

- 1) Call the Meeting to Order**
- 2) Approve minutes of the September 1, 2020 regular meeting**
- 3) Old Business**
 - a) Solar Panels in Historic Districts
 - b) Local Landmark Designations
 - i) Update
 - (1) 2200 York Street
 - (2) 231 East Avenue
- 4) New Business**
 - a) Demolition Permits
 - i) Explanation of Demolition Permit Process
 - ii) Previous Reviews
 - (1) 921 North 10th Street
 - (2) 314 South 6th Street
 - iii) New Reviews
 - (1) 427 North 9th Street
 - b) Membership
 - i) Appointment of Michele Monies Khoury
 - ii) Status of Existing Members
 - c) Items of Interest to the Commission
- 5) General Public Comment (limited to three minutes)**
- 6) Adjournment**