

Agenda
Village of Glen Ellyn
Special Village Board Meeting
Monday, December 3, 2012
7:00 p.m. – Galligan Board Room

1. Call to Order
2. Roll Call
3. Pledge of Allegiance
4. Assistant to the Village Manager Schrader will discuss the proposed Tax Increment Financing District on Roosevelt Road. (*Discussion only*)
5. Consent Agenda (*Village Manager Franz*)

The following items are considered routine business by the Village Board and will be approved in a single vote in the form listed below: (*Trustee Ladesic*)

- A. Motion to receive the Police Pension Board's Municipal Compliance Report for the fiscal year ending April 30, 2012. (*Finance Director Wachtel*)
6. Finance Director Wachtel will present information related to the 2012 tax levy for the Village of Glen Ellyn and the Glen Ellyn Public Library, which will be collected during 2013. (*Trustee McGinley*)
 - A. Second reading and adoption of Ordinance No. 6091, An Ordinance for the Levy and Assessment of Taxes in the Amount of \$11,126,203 for the Fiscal Year Beginning May 1, 2012, and Ending April 30, 2013.
7. Finance Director Wachtel will present information related to a special property tax which applies only to property owners in portions of the Lambert Farms Subdivision located within the Special Service Area Number 12 taxing district. (*Trustee Cooper*)
 - A. Ordinance No. 6092, An Ordinance for the Levy and Assessment of Taxes for the 2012 Tax Levy Year in the Amount of \$96,000 for the Village of Glen Ellyn Special Service Area No. Twelve.
8. Finance Director Wachtel will present information on five Special Service Area taxing districts which apply to commercial properties along the Roosevelt Road corridor, in the downtown Central Business District, and at Stacy's Corners. These SSAs have been utilized since 1991 to provide partial funding for the Village's economic development activities. (*Trustee Friedberg*)
 - A. Ordinance No. 6093, An Ordinance for the Levy and Assessment of Taxes for the 2012 Tax Levy Year in the Amount of \$55,600 for the Village of Glen Ellyn Special Service Area No. 13.

- B. Ordinance No. 6094, An Ordinance for the Levy and Assessment of Taxes for the 2012 Tax Levy Year in the Amount of \$127,500 for the Village of Glen Ellyn Special Service Area No. 14.
 - C. Ordinance No. 6095, An Ordinance for the Levy and Assessment of Taxes for the 2012 Tax Levy Year in the Amount of \$5,700 for the Village of Glen Ellyn Special Service Area No. 15.
 - D. Ordinance No. 6096, An Ordinance for the Levy and Assessment of Taxes for the 2012 Tax Levy Year in the Amount of \$3,000 for the Village of Glen Ellyn Special Service Area No. 16.
 - E. Ordinance No. 6097, An Ordinance for the Levy and Assessment of Taxes for the 2012 Tax Levy Year in the Amount of \$800 for the Village of Glen Ellyn Special Service Area No. 17.
9. Finance Director Wachtel will present information on two Special Service Area (SSA) taxing districts which only apply to unincorporated areas to the north and south of the Village limits which are served by the Glen Ellyn Volunteer Fire Company. The purpose of the SSAs is to levy a special tax to help defray the costs related to providing fire protection and other emergency services to these areas. These SSAs were established in November 2009, following a statutorily prescribed public notice and hearing process. *(Trustee Hartweg)*
- A. Ordinance No. 6098, An Ordinance for the Levy and Assessment of Taxes for the 2012 Tax Levy Year in the Amount of \$96,227 for Glen Ellyn Special Service Area No. 18.
 - B. Ordinance No. 6099, An Ordinance for the Levy and Assessment of Taxes for the 2012 Tax Levy Year in the Amount of \$84,902 for the Glen Ellyn Special Service Area No. 19.
10. Finance Director Wachtel will present information on proposed water and sewer rate adjustments. *(Discussion only)*
11. Reminders:
- The next Village Board Meeting is scheduled for Monday, December 10, 2012, with the Workshop beginning at 7:00 p.m. and the Regular Board Meeting beginning at 8:00 p.m. in the Galligan Board Room of the Glen Ellyn Civic Center.
12. Other Business?
13. Adjournment
14. Press Conference

A-4

MEMORANDUM

TO: Mark Franz, Village Manager
FROM: Kristen Schrader, Assistant to the Village Manager – ADM
DATE: November 29, 2012
RE: Proposed Tax Increment Financing District – Roosevelt Road



Background

Tax Increment Financing (TIF) is a tool provided to local governments to assist them in stimulating investments in areas which have difficulty attracting development or redevelopment. The Village created its first TIF District in 2012 in the downtown.

The Village recently identified a portion of Roosevelt Road that may also benefit from the creation of a TIF District. The area is generally bounded by those commercial and multifamily residential properties fronting the north side of Roosevelt Road located between Main Street to the east and Park Boulevard to the west along with those commercial properties between Park Boulevard and Route 53 generally situated between Roosevelt Road and Taft Avenue. It does not include most of the commercial district that has been redeveloped over the last 20 years. The included area may be considered for a TIF District as it has struggled with a lack of private development over the years, creating a variety of deficiencies with business and structural investment. The creation of a TIF District may assist in remedying these deficiencies with public/private partnerships, and will also assist the Village in continuing its proactive economic development efforts.

Issues

An initial review of these boundaries by Ehlers (Downtown TIF Consultant) indicates that it should qualify as a TIF District, conservation area. This is confirmed with the attached preliminary parcel list demonstrating key conditions for TIF qualification: at least 50% of structures are over 35 years in age (actual over 75%), and a trend of declining equalized assessed value. Please see the attached document on “What conditions must exist for an area to be designated TIF?” for further detail on TIF required conditions.

In order to officially determine if this area is TIF eligible however, a feasibility study should be conducted by a TIF consultant. The cost to conduct a feasibility study should be approximately \$20,000 (considered a TIF eligible expense) and would be funded through the Village’s Economic Development budget in FY 13/14.

If the area is generally considered eligible to be designated as a TIF District, the consultant would recommend final TIF District boundaries, and the Village could move forward with the TIF designation process including the redevelopment plan and eligibility report.

Action Requested

The Board is asked to consider if Village staff should move forward with seeking proposals to conduct a TIF feasibility study for a portion of Roosevelt Road.

Recommendation

Village staff recommends moving forward with seeking proposals to complete a TIF feasibility study for the proposed portion of Roosevelt Road. If directed to seek proposals, staff will also reach out to the appropriate taxing districts to discuss the Village's initial interest in considering a TIF District.

Attachments

- Proposed TIF District Boundaries
- Document: "What conditions must exist for an area to be designated TIF?"
- Preliminary Parcel List

Roosevelt Road TIF Boundaries



What conditions must exist for an area to be designated for TIF?

Illinois law includes three sets of conditions for qualifying areas as TIFs:

- blighted conditions
- conservation conditions
- industrial park conservation conditions

To be designated as a **blighted area**:

Improved property (land that is not vacant) must contain at least 5 of 14 factors that make it detrimental to the public safety, health or welfare of the community. These factors must be present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that each factor is clearly present and reasonably distributed throughout the improved part of the area. These factors are:

- Dilapidation
- Obsolescence
- Deterioration
- Illegal use of individual structures
- Structures below minimum code standards
- Excessive land coverage and overcrowding of structures and community facilities
- Lack of ventilation, light or sanitary facilities
- Inadequate utilities
- Excessive land coverage
- Deleterious land use or layout
- Environmental clean-up
- Declining equalized assessed value, and
- Lack of community planning

Vacant land must have at least two of the following six factors that impair sound growth of the area, using comparable standards of evidence as for improved areas:

- Obsolete platting
- Diversity of ownership
- Tax and special assessment delinquencies
- Environmental contamination
- Declining equalized assessed value
- Deterioration of structures or site improvements on adjacent land

In addition, there are six other types of vacant land that can be designated for TIF. They include land that was blighted before becoming vacant; unused quarries, mines, or strip mine ponds; unused rail yards, rail tracks or railroad right-of-way; chronic flooding that adversely impacts on property in the area and is caused by improvements recently constructed in the area; unused or illegal disposal sites; large areas that have been previously designated as a town center and meet other requirements.

To be designated as an **industrial park conservation area**:

The municipality must have had a relatively high unemployment rate and the area to be designated must be located within the municipality or within 1.5 miles of the municipal boundaries and be annexed to the municipality; be zoned industrial prior to the establishment of the TIF and contain vacant land suitable for an industrial park and a blighted or conservation area contiguous to the vacant land.

To be designated as a **conservation area**:

- At least 50% of the structures in the improved area must be 35 years old; and
- Three of the 14 factors for designation of a blighted area and another factor entitled "excessive vacancies" must be present.

Source: Illinois Tax Increment Association

VILLAGE OF GLEN ELLYN
Roosevelt Road TIF - Preliminary Parcel List

Parcel Number	TAX YEAR						Tax Year 2012 (Two Est)	Imprv over 35 yrs
	2006	2007	2008	2009	2010	2011		
0514312018	164,740	195,530	204,910	204,910	197,230	176,060	164,850	1
0514312019	200,090	177,900	340,670	324,700	312,530	290,673	272,160	0
0514312020	59,700	79,160	82,960	98,930	95,220	93,428	87,480	
0514312022	165,230	202,120	211,820	211,820	203,880	192,055	179,820	1
0514312023	176,240	233,690	244,910	292,130	281,180	274,602	257,110	
0514312024	2,150,170	2,280,000	2,389,440	1,966,670	2,299,840	2,166,670	2,649,400	1
0514314005	202,270	230,590	241,660	200,000	192,500	168,432	157,710	1
0514314006	202,260	230,580	241,660	200,000	192,500	168,430	157,700	1
0514314013	237,490	278,100	292,490	292,490	258,540	243,544	228,030	1
0514314015	178,380	207,590	217,550	217,550	209,390	197,246	184,660	1
0514314018	21,900	29,040	30,430	30,430	29,290	37,313	34,940	
0514314017	22,720	30,130	31,580	37,860	36,250	42,569	39,860	
0514314018	135,800	174,830	114,320	82,340	54,530	88,888	100,070	1
0514314019	112,840	128,930	135,120	135,120	130,060	114,095	106,830	1
0514314021	160,380	177,770	186,310	186,310	179,320	159,460	159,480	1
0514314022	151,640	168,160	178,230	178,230	169,620	159,782	149,600	1
0514314024	202,270	230,590	241,660	200,000	192,500	168,430	157,710	1
0514314025	202,270	230,590	241,660	200,000	192,500	168,430	157,700	1
0514314026	202,260	230,580	241,660	200,000	192,500	168,430	157,700	1
0514314030	6,370	11,100	11,640	11,640	11,200	11,568	13,790	
0514314031	32,710	43,370	46,730	46,730	44,980	46,403	55,350	
0514314032	346,410	394,100	413,020	413,020	397,540	374,483	350,630	1
0514314033	251,140	281,290	294,800	323,370	311,240	293,188	274,610	1
0514315001	49,470	53,670	56,250	56,250	54,140	47,605	44,570	1
0514315002	49,470	53,670	56,250	56,250	54,140	47,605	44,570	1
0514315003	49,470	53,670	56,250	56,250	54,140	47,605	44,570	1
0514315004	49,470	53,670	56,250	56,250	54,140	35,000	35,000	1
0514315005	49,470	53,670	56,250	56,250	54,140	47,605	44,570	1
0514315006	49,470	53,670	56,250	56,250	54,140	47,605	44,570	1
0514315007	49,470	53,670	56,250	56,250	54,140	47,605	44,570	1
0514315008	49,470	53,670	56,250	56,250	54,140	47,605	44,570	1
0514315009	39,160	42,490	44,530	44,530	42,860	38,507	36,050	1
0514315010	39,160	42,490	44,530	44,530	42,860	38,507	36,050	1
0514315011	39,160	42,490	44,530	44,530	42,860	38,507	36,050	1
0514315012	39,160	42,490	44,530	44,530	42,860	38,507	36,050	1
0514315013	39,160	42,490	44,530	44,530	42,860	38,507	36,050	1
0514315014	39,160	42,490	44,530	44,530	42,860	38,507	36,050	1
0514315015	39,160	42,490	44,530	44,530	42,860	38,507	36,050	1
0514315016	39,160	42,490	44,530	44,530	42,860	38,507	36,050	1
0514315017	49,470	53,670	56,250	56,250	54,140	47,605	44,570	1
0514315018	49,470	53,670	56,250	56,250	54,140	47,605	44,570	1
0514315019	49,470	53,670	56,250	56,250	54,140	47,605	44,570	1
0514315020	49,470	53,670	56,250	56,250	54,140	47,605	44,570	1
0514315021	49,470	53,670	56,250	56,250	54,140	47,605	44,570	1
0514315022	49,470	53,670	56,250	56,250	54,140	47,605	44,570	1
0514315023	49,470	53,670	56,250	56,250	54,140	47,605	44,570	1
0514315024	49,470	53,670	56,250	56,250	54,140	47,605	44,570	1
0514315025	49,470	53,670	56,250	56,250	54,140	47,605	44,570	1
0514315026	49,470	53,670	56,250	56,250	54,140	47,605	44,570	1
0514315027	49,470	53,670	56,250	56,250	54,140	47,605	44,570	1
0514315028	49,470	53,670	56,250	56,250	54,140	47,605	44,570	1
0514315029	49,470	53,670	56,250	56,250	54,140	47,605	44,570	1
0514315030	44,010	47,750	56,250	56,250	54,140	47,605	44,570	1
0514315031	49,470	53,670	56,250	56,250	54,140	47,605	44,570	1
0514315032	49,470	53,670	56,250	56,250	54,140	47,605	44,570	1
0514315033	39,160	42,490	44,530	44,530	42,860	38,507	36,050	1
0514315034	39,160	42,490	44,530	44,530	42,860	38,507	36,050	1
0514315035	39,160	42,490	44,530	44,530	42,860	38,507	36,050	1
0514315036	39,160	42,490	44,530	44,530	42,860	38,507	36,050	1
0514315037	39,160	42,490	44,530	44,530	42,860	38,507	36,050	1
0514315038	39,160	42,490	44,530	44,530	42,860	38,507	36,050	1

VILLAGE OF GLEN ELLYN
Roosevelt Road TIF - Preliminary Parcel List

Parcel Number	TAX YEAR						Tax Year 2012 (Twp Est)	Imprv over 35 yrs
	2006	2007	2008	2009	2010	2011		
0514315039	39,160	42,490	44,530	44,530	42,860	38,507	36,050	1
0514315040	39,160	42,490	44,530	44,530	42,860	38,507	36,050	1
0514315041	49,470	53,670	56,250	56,250	54,140	47,605	44,570	1
0514315042	49,470	53,670	56,250	56,250	54,140	47,605	44,570	1
0514315043	49,470	53,670	56,250	56,250	54,140	47,605	44,570	1
0514315044	49,470	53,670	56,250	56,250	54,140	47,605	44,570	1
0514315045	49,470	53,670	56,250	56,250	54,140	47,605	44,570	1
0514315046	49,470	53,670	56,250	56,250	54,140	47,605	44,570	1
0514315047	49,470	53,670	56,250	56,250	54,140	47,605	44,570	1
0514315048	49,470	53,670	56,250	56,250	54,140	47,605	44,570	1
0514315049	38,020	41,250	43,230	43,230	41,610	38,507	36,050	1
0514315050	38,020	41,250	43,230	43,230	41,610	38,507	36,050	1
0514315051	38,020	41,250	43,230	43,230	41,610	38,507	36,050	1
0514315052	38,020	41,250	43,230	43,230	41,610	38,507	36,050	1
0514315053	38,020	41,250	43,230	43,230	41,610	38,507	36,050	1
0514315054	38,020	41,250	43,230	43,230	41,610	38,507	36,050	1
0514315055	38,020	41,250	43,230	43,230	41,610	38,507	36,050	1
0514315056	38,020	41,250	43,230	43,230	41,610	38,507	36,050	1
0514419012	144,050	162,510	170,310	170,310	163,920	154,413	144,580	1
0514419043	42,970	56,980	102,610	122,400	117,810	94,935	88,890	
0514419046	79,910	94,000	98,510	98,510	94,820	89,320	83,630	1
0514419048	157,040	186,870	195,630	217,850	209,690	197,528	184,940	0
0514419049	251,150	282,490	296,050	276,260	265,910	266,529	249,550	1
0523200002	41,210	50,890	53,330	53,330	51,330	42,371	45,380	
0523200005	112,540	126,100	132,160	147,760	142,220	133,971	125,440	1
0523200012	219,720	246,180	258,000	258,000	248,330	389,441	364,640	1
0523200016	168,280	182,850	191,630	191,630	184,450	61,805	57,370	
0523200018	257,240	318,980	334,290	334,290	321,750	298,303	319,440	
0523200019	158,650	191,260	200,440	200,440	192,920	181,731	170,150	0
0523200020	243,380	186,920	195,890	195,890	188,550	188,381	160,890	0
0523200021	84,540	93,420	97,910	97,910	94,240	45,207	42,330	
0523201002	308,640	301,120	315,570	315,570	303,740	268,000	268,030	0
0523201007	160,020	176,820	185,310	185,310	178,360	186,374	174,500	1
0523201008	39,210	51,990	54,490	65,000	62,560	62,040	58,090	
0523201024	103,240	130,470	136,740	158,690	152,740	147,479	138,080	1
0523201028	293,550	329,100	344,900	344,900	331,970	318,688	299,390	1
0523201027	23,090	30,620	32,090	38,250	36,820	36,032	33,740	
0523201028	116,160	154,030	161,420	192,530	185,310	147,122	137,750	
0523201031	235,660	566,500	1,448,660	1,274,880	1,227,070	958,854	958,760	0
0523201032	188,240	913,640	957,490	957,490	921,590	868,138	812,840	0
0523202003	88,950	110,500	115,800	148,380	142,820	134,536	125,960	1
0523202008	131,140	168,360	178,450	206,930	164,820	129,355	129,370	1
0523202018	464,090	451,133	472,790	513,280	253,970	228,906	228,830	1
0523202028	982,340	935,477	980,390	1,087,130	537,690	367,446	367,480	1
0523202029	740,140	719,493	754,030	809,130	371,640	311,717	311,750	1
0523202033	1,111,130	1,080,123	1,131,970	1,131,970	546,540	311,953	311,990	1
0523202034	160,650	179,970	223,860	301,700	290,390	273,538	256,120	0
0523205022	67,450	89,440	70,310	70,310	59,760	76,424	76,430	
0523205023	1,349,280	1,311,627	1,374,590	1,445,190	493,950	399,625	399,670	1
0523205024	1,245,310	1,210,553	1,268,660	1,397,510	739,310	728,759	728,840	0
Total Redevelopment Project Area EAV	17,844,530	20,058,316	22,023,830	21,879,100	18,212,440	16,337,823	16,233,430	85
Percent Change		12.41%	9.80%	-0.66%	-16.76%	-10.29%	-0.64%	Total PINS:
Village Wide EAV	1,256,998,442	1,388,904,314	1,479,870,953	1,486,447,475	1,432,936,963	1,324,205,107	111	
Balance of Village Wide EAV	1,239,153,912	1,368,845,998	1,457,847,123	1,464,568,375	1,414,724,523	1,307,867,284	76.58%	
Percent Change		10.47%	6.50%	0.46%	-3.40%	-7.55%		
CPI		2.8%	3.8%	-0.4%	1.6%	3.2%		

*NOTE: Tax Year 2012 Parcel EAV is Tentative; not Final with County.
 Source of Parcel EAV and Improvement Age: Milton Township Assessor
 Source of Village EAV: DuPage County Clerk

X

% of buildings over 35 yrs in age

MEMORANDUM

A-5A

TO: Mark Franz, Village Manager *MF*
FROM: Kevin Wachtel, Finance Director *KW*
Christina Coyle, Assistant Finance Director *CC*
DATE: November 26, 2012
RE: Police Pension Board Annual Report to Village Board



Background

Per Illinois Revised Statutes (40 ICS 5) section 3-143 "Report by Pension Board" (copy attached), the Police Pension Board shall report annually to the Village Board on the condition of the pension fund at the end of its most recently completed fiscal year. The report shall be made prior to the board meeting held for appropriating and levying taxes for the year for which the report is made. The Pension Board is obligated to provide and certify the specific information as identified in the statute.

Most of the information contained in the attached memo has been also transmitted to the Village Board as part of the Village audit. Pension reform laws now dictate that the Pension Board must report specific information to the Village Board to ensure that the Village Board is fully aware of the Pension Fund's condition prior to levying taxes for the year of the report.

Action Requested

Motion to receive the Police Pension Board's Municipal Compliance Report for the fiscal year ending April 30, 2012 at the December 3, 2012, Village Board meeting.

Attachments

- 2012 Police Pension Municipal Compliance Report

**VILLAGE OF GLEN ELLYN, ILLINOIS
POLICE PENSION FUND**

**House Bill 5088 (Public Act 95-950) - Municipal Compliance Report
For the Year Ended April 30, 2012**

The Glen Ellyn Police Pension Board certifies to the Village Board on the condition of the Pension Fund at the end of its most recently completed fiscal year the following information:

1. The total assets of the fund in its custody at the end of the fiscal year and the current market value of those assets:

Total Assets	<u>\$22,568,213</u>
Market Value	<u>\$22,568,213</u>

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

Estimated Receipts - Employee Contributions	<u>\$307,238</u>
Estimated Receipts - All Other Sources	
Investment Earnings	<u>N/A</u>
Municipal Contributions	<u>\$979,909</u>

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

(a) Pay all Pensions and Other Obligations	<u>\$979,909</u>
(b) Annual Requirement of the Fund as Determined by:	
Illinois Department of Insurance	<u>N/A</u>
Private Actuary - Report Dated November 24, 2012 (Entry Age Normal)	<u>\$979,909</u>
Private Actuary - Report Dated November 24, 2012 (PA096-1495)	<u>\$897,958</u>

**VILLAGE OF GLEN ELLYN, ILLINOIS
POLICE PENSION FUND**

**House Bill 5088 (Public Act 95-950) - Municipal Compliance Report
For the Year Ended April 30, 2012**

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

	Current Fiscal Year	Preceding Fiscal Year
Net Income Received from Investment of Assets	\$936,658	\$1,912,628
Assumed Investment Return		
Illinois Department of Insurance - Actuarial Report	N/A	7.00%
Private Actuary - Report Dated November 24, 2012	7.25%	7.50%
Actual Investment Return	4.32%	9.61%

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

Number of Active Members	<u>38</u>
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6. The total amount that was disbursed in benefits during the fiscal year, including the number of and total amount disbursed to (i) annuitants in receipt of a regular retirement pension, (ii) recipients being paid a disability pension, and (iii) survivors and children in receipt of benefits:

	Number of	Total Amount Disbursed
(i) Regular Retirement Pension	24	\$1,255,155
(ii) Disability Pension	2	\$ 71,877
(iii) Survivors and Child Benefits	6	\$ 132,374

7. The funded ratio of the fund:

Illinois Division of Insurance - Actuarial Report	N/A	N/A
Private Actuary - Report Dated November 24, 2012	65.0%	64.3%

**VILLAGE OF GLEN ELLYN, ILLINOIS
POLICE PENSION FUND**

**House Bill 5088 (Public Act 95-950) - Municipal Compliance Report
For the Year Ended April 30, 2012**

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

Unfunded Liability:

Illinois Department of Insurance - Actuarial Report

N/A

Private Actuary - Report Dated November 24, 2012

\$12,457,971

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

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

Investment Policy - See Attached

CERTIFICATION OF MUNICIPAL POLICE
PENSION FUND COMPLIANCE REPORT

We, the undersigned Trustees of the Glen Ellyn Police Pension Fund, based upon information and belief, and to the best of our knowledge, certify pursuant to §5/3-134 of the Illinois Pension Code, that the preceding report is true and accurate.

_____ President

_____ Secretary

Dated: _____

Village of Glen Ellyn

535 Duane Street, Glen Ellyn, Illinois

GLEN ELLYN POLICE PENSION FUND INVESTMENT POLICY

I. Authority to manage the Village of Glen Ellyn's Police Pension Fund is derived from the Illinois Pension Code (40 ILCS 5/1-101 et seq. and 5/1A-101 et seq.) and other laws as may be applicable to investments under Article 3 of the Illinois Pension Code (40 ILCS 5/3-101 et seq.) and as such statutes may be amended hereafter. The plan is created for the plan participants and beneficiaries for the exclusive purpose of providing retirement and other benefits to plan participants and beneficiaries.

II. **Policy:**

The fundamental goal of the Glen Ellyn Police Pension Fund is to provide retirement benefits to plan participants. The Pension Fund Board of Trustees (Board) will invest fund assets solely in the interest of fund participants and beneficiaries for the exclusive purpose of providing retirement and other benefits to plan participants and beneficiaries. This investment policy applies to the assets of the Glen Ellyn Police Pension Fund.

III. **Prudence:**

The Board shall prudently oversee the plan assets for the sole benefit of the Fund's beneficiaries. Investments shall be made with care, skill, prudence and diligence, under the circumstances then prevailing, that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. That standard of prudence to be used shall be the prudent expert standard. Pension Fund Trustees acting in accordance with the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

IV. **Investment Philosophy:**

The Board believes that fund assets should be managed in a fashion that reflects the fund's unique assets and liabilities, incorporated accepted investment theory and empirical evidence. Specifically, the Board has adopted the following principles:

- A. Asset allocation is the key determinant of return and, therefore, commitments to asset allocation targets will be maintained through a disciplined rebalancing program.
- B. Diversification, both by and within asset classes, is the primary risk control element.
- C. Passive and active management are suitable investment strategies, with passive management especially suitable in highly efficient markets.
- D. Frequent trading is precluded as an acceptable investment strategy.

V. **Goals and Objectives:**

The goals and objectives of the Glen Ellyn Police Pension Fund are as follows:

- A. To preserve the actuarial soundness of the plan in order to meet benefit obligations.
- B. To achieve long-term (one or two market cycles) rates of return consistent with the actuarial earnings rate.
- C. To prudently manage the inherent investment risks that are related to the achievement of investment goals.

VI. **Asset Allocation:**

Priority: The asset allocation decision is generally regarded as the most important decision to be made in the investment management process. To further the long-term goals and objectives set out in Section IV, the following asset allocation guidelines are established:

Asset Allocation Range			
Asset Class		Target	Maximum
U.S. Equities		30%-50%	50%
Large-Cap		65%	
Mid-Cap		25%	
Small-Cap		10%	
Non-U.S. Equities		0%-10%	10%
U.S. Bonds		50%	
Cash Equivalents		5%	30%
Other			
Total		100%	

Rebalancing Policy: The primary purpose of rebalancing is to ensure that the Fund adheres to its strategic asset allocation, which is the Fund's explicit statement of its investment approach. Secondly, historical analysis of portfolio returns when rebalancing is used indicates that rebalancing reduces volatility and may add modest value, in comparison to a similar portfolio that is not rebalanced.

Rebalancing will be carried out in a cost-effective manner. The fund will rebalance as follows:

A: If feasible, cash, as well as indexed investment strategies, will be used to maintain target allocations.

B: When capital distributions are required, income from dividends and interest payments will be used to re-establish target allocations.

C: Securities will be liquidated from the over-funded asset classes until the target allocations are met.

The Glen Ellyn Police Pension Fund Board will review the portfolio annually for rebalancing and no more frequently than quarterly.

VII. **Authorized and Suitable Investments:**

The fund may invest in any type of security allowed for within Illinois Pension Code (40 ILCS 5/1-113.2; 40 ILCS 5/1-113.3; 40 ILCS 5/1-113.4; and 40 ILCS 5/1-113.4a), as they may be amendment from time to time:

- 1) Interest bearing direct obligations of the United States of America.
- 2) Interest bearing obligations to the extent that they are fully guaranteed or insured as to payment of principle and interest by the United States of America.
- 3) Interest bearing bonds, notes, debentures, or other similar obligations of agencies of the United States of America. For the purposes of this Section, "agencies of the United States of America" includes: (i) the Federal National Mortgage Association; (ii) federal land banks, federal intermediate credit banks, federal farm credit banks, and any other entity authorized to issue direct debt obligations of the United States of America under the Farm Credit Acts of 1971 or amendments to that Act; (iii) federal home loan banks and the Federal Home Loan Mortgage Corporation; and (iv) any agency created by Act of Congress that is authorized to issue direct debt obligations of the United States of America.
- 4) Interest bearing savings accounts or certificates of deposit, issued by federally chartered banks or savings and loan associations, to the extent that the deposits are insured by agencies or instrumentalities of the federal government.
- 5) Interest bearing savings accounts or certificates of deposit, issued by State of Illinois chartered banks or savings and loan associations, to the extent that the deposits are insured by agencies or instrumentalities of the federal government.
- 6) Investments in credit unions, to the extent that the investments are insured by agencies or instrumentalities of the federal government.
- 7) Interest bearing bonds of the State of Illinois.
- 8) Pooled interest bearing accounts managed by the Illinois Public Treasurer's Investment Pool (Illinois Funds) in accordance with the Deposit of State Moneys Act and interest bearing funds or pooled accounts managed, operated, and administered by banks, subsidiaries of banks, or subsidiaries of bank holding companies in accordance with the laws of the State of Illinois.

9) Interest bearing bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois.

10) Direct obligations of the State of Israel, subject to the conditions and limitations of item (5.1) of Section 1-113.

11) Money market mutual funds managed by investment companies that are registered under the federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open ended management investment companies; provided that the portfolio of the money market mutual fund is limited to the following: (i) bonds, notes certificates of indebtedness, treasury bills, or other securities that are guaranteed by the full faith and credit of the United States of America as to principal and interest; (ii) bonds, notes debentures, or other similar obligations of the United States of America or its agencies; and (iii) short term obligations of corporations organized in the United States with assets exceeding \$400,000,000, provided that (A) the obligations mature no later than 180 days from the date of purchase, (B) at the time of purchase, the obligations are rated by at least 2 standard national rating services at one of their 3 highest classifications, and (C) the obligations held by the mutual fund do not exceed 10% of the corporation's outstanding obligations.

12) General accounts of life insurance companies authorized to transact business in Illinois.

13) Any combination of the following, not to exceed 55% of the pension fund's net assets: (1) separate accounts that are managed by life insurance companies authorized to transact business in Illinois and are comprised of diversified portfolios consisting of common or preferred stocks, bonds, or money market instruments; (2) separate accounts that are managed by insurance companies authorized to transact business in Illinois, and are comprised of real estate or loans upon real estate secured by first or second mortgages and (3) Mutual Funds that meet the following requirements: (i) the mutual fund is managed by an investment company and registered under the Federal Investment Company Act of 1940 and registered under the Illinois Securities Law of 1953; (ii) the mutual fund has been in operation for at least 5 years; (iii) the mutual fund has total net assets of \$250 million or more, and; (iv) the mutual fund is comprised of a diversified portfolio of common or preferred stocks, bonds, or money market instruments. (4) through an investment adviser, invest a portion of the assets in common and preferred stocks authorized for investments of trust funds under the laws of the State of Illinois. The stocks must meet all of the following requirements: (a) The common stocks are listed on a national securities exchange or board of trade (as defined in the Federal Securities Exchange Act of 1934 and set forth in Section 3.G of the Illinois Securities Law of 1953) or quoted in the National Association of Securities Dealers Automated Quotation System National Market System (NASDAQN MS), (b) The securities are of a corporation created or existing under the laws of the United States or

any state, district, or territory thereof and the corporation has been in existence at least 5 years, (c) The corporation has not been in arrears on payment of dividends on its preferred stock during the preceding 5 years, (d) the market value of stock in any one corporation does not exceed 5 % of the cash and invested assets of the pension fund, and the investments in the stock of any one corporation do not exceed 5% of the total outstanding stock of that corporation, (e) the straight preferred stocks or convertible preferred stocks are issued or guaranteed by a corporation whose common stock qualifies for investment by the board, (f) the issuer of the stocks has been subject to the requirements of Section 12 of the federal Securities Exchange Act of 1934 and has been current with the filing requirements of Sections 13 and 14 of that Act during the preceding 3 years.

14) Corporate bonds managed through an investment advisor must meet all of the following requirements:

(1) The bonds must be rated as investment grade by one of the 2 largest rating services at the time of purchase.

(2) If subsequently downgraded below investment grade, the bonds must be liquidated from the portfolio by the managers within 90 days after being downgraded.

VIII. Safekeeping and Custody

Securities will be held by one third party custodian designated by the treasurer and evidenced by safekeeping receipts.

IX. Performance Benchmarks

Fixed Income

The fixed income assets shall be invested in one of two distinct strategies.

(1) Actively managed utilizing a professional money manager and/or

(2) Internally, utilizing a passive strategy that is managed per the policies and procedures established by the Board.

The objective of the Board for the fixed income segment of the portfolio, over a market cycle, shall be to meet or exceed the returns of the Barclays US Treasury Bond Index.

Equities

The goal of each investment manager, mutual fund, and/or separate account over the investment horizon shall be:

(1) For U.S. equity portfolios, in aggregate, to meet or exceed the Russell 3000 Index.

For International equity portfolios, in aggregate, to meet or exceed the MSCI All Country World ex USA Investable Market Index.

- (2) Display an overall level of risk in the portfolio which is consistent with the risk associated with the benchmark(s) above. Risk will be measured by the standard deviation of quarterly returns.

X. Investment Manager Performance Review and Evaluation

Performance reports generated by the Investment Consultant shall be compiled at least quarterly and communicated to the Trustees for review. The investment performance of total portfolios as well as asset class components will be measured against commonly accepted performance benchmarks. Consideration shall be given to the investment objectives, goals and guidelines as set forth in this statement of investment policy. The Trustees intend to evaluate the portfolio over at least a three year period, but reserve the right to terminate a manager for any reason, including the following:

- A. Investment performance which is significantly less than anticipated given the discipline employed and the risk parameters established, or unacceptable justification for poor results.
- B. Failure to adhere to any aspect of this statement of investment policy, including communication and presorting requirements.
- C. Significant qualitative changes to the investment management organization(s).

Investment managers shall be reviewed regularly regarding performance, personnel, strategy, research capabilities, organizational and business matters, and other qualitative factors that may impact their ability to achieve the desired investment results.

XI. Reporting:

An investment report shall be regularly provided to the Police Pension Board. The report will include the following:

- A. A listing of individual securities held at the end of the reporting period.
- B. Listing of investments by maturity date.
- C. The percentage of the total portfolio which each type of investment represents.
- D. The percentage of the total portfolio which each institution is holding.
- E. The percentage of the total portfolio broken down by defined maturity period.
- F. Principal and type of investment by fund.

This Investment Policy is hereby adopted this 11th day of April, 2012 by the Glen Ellyn Police Pension Fund Board of Trustees whose signatures appear below:

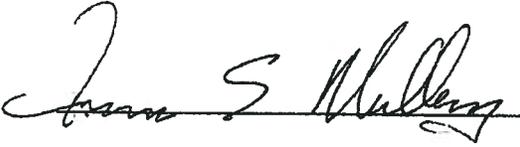


President



Secretary

Trustee



Trustee



Trustee



VILLAGE OF GLEN ELLYN
GLEN ELLYN POLICE PENSION FUND

Actuarial Valuation Report

For the Year

Beginning May 1, 2012

And Ending April 30, 2013

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

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INTRODUCTION

Police-sworn personnel of the Village of Glen Ellyn are covered by the Police Pension Plan that is a defined-benefit, single-employer pension plan. The purpose of this report is to disclose the Tax Levy Requirement, the GASB Statements No. 25 & 27 financial information and related actuarial information for the year beginning May 1, 2012, and ending April 30, 2013.

The valuation results reported herein are based on plan provisions in effect as of May 1, 2012, the employee data furnished by the Village, the financial data provided by the Fund's trustee and the actuarial methods and assumptions described later in this report. I hereby certify that this report is complete and accurate and fairly presents the actuarial position of the Fund as of April 30, 2012, in accordance with generally accepted actuarial principles and procedures. In my opinion, the assumptions used are reasonably related to the experience of the Plan and to reasonable expectations.

Respectfully submitted,



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

11/24/2012

Date

SUMMARY OF RESULTS

There was a change with respect to Actuarial Assumptions from the prior year to reflect revised expectations with respect to future interest rates and salary increases. The interest rate assumption has been reduced to 7.25% from 7.50%, and the salary increase assumption has been reduced to 5.00% from 6.00%.

There were no changes with respect to Plan Provisions or Actuarial Methods from the prior year.

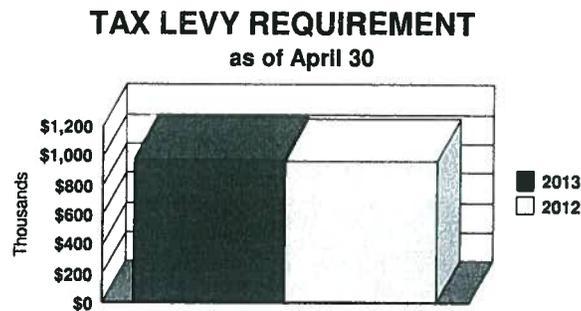
There were no unexpected changes with respect to the participants included in this actuarial valuation (1 new member, 1 termination, 1 retirement, 0 incidents of disability, annual payroll increase 1.8%, average salary increase 4.9%).

There were no unexpected changes with respect to the Fund's investments from the prior year (annual investment return 4.32%).

The Village's Tax Levy Requirement has increased slightly from \$968,658 last year to \$979,909 this year (1.2%). The increase in the Tax Levy is due to the increase in salaries and the investment return was less than assumed, and was offset due to the change to the actuarial assumptions and to using 5-year market averaging. The Percent Funded has increased slightly from 64.3% last year to 65.0% this year.

SUMMARY OF RESULTS (Continued)

	For Year Ending April 30	
	<u>2013</u>	<u>2012</u>
Tax Levy Requirement	\$ 979,909	\$ 968,658
	as of May 1	
	<u>2012</u>	<u>2011</u>
Village Normal Cost	344,619	411,802
Anticipated Employee Contributions	307,238	301,891
Accrued Liability	35,577,887	33,797,372
Actuarial Value of Assets	23,119,916	21,736,074
Unfunded Accrued Liability/(Surplus)	12,457,971	12,061,298
Amortization of Unfunded Accrued Liability/(Surplus)	569,049	489,275
Percent Funded	65.0%	64.3%
Annual Payroll	\$ 3,100,282	\$ 3,046,326



ACTUARIAL VALUATION OF ASSETS

		as of May 1	
	<u>2012</u>		<u>2011</u>
Money Market, NOW, IL Fund	\$ 5,264,910	\$	5,378,595
Government Securities	17,307,276		8,050,458
Mutual Funds	0		8,296,182
Interest Receivable	4,439		10,840
Miscellaneous Receivable/(Payable)	<u>(8,412)</u>		<u>0</u>
Market Value of Assets	<u>22,568,213</u>		<u>21,736,074</u>
Actuarial Value of Assets	\$ 23,119,916	\$	

FYE 2012 (Gain)/Loss: \$689,628

SUMMARY OF ASSETS

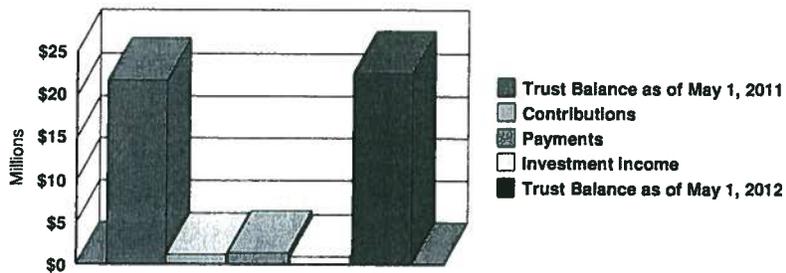
As Of May 1, 2012



ASSET CHANGES DURING PRIOR YEAR

Trust Balance as of May 1, 2011		\$ 21,736,074
Contributions		
Village	1,036,000	
Employee	<u>305,047</u>	
Total		1,341,047
Payments		
Benefit Payments	1,385,450	
Expenses	<u>60,116</u>	
Total		1,445,567
Investment Income		<u>936,658</u>
Trust Balance as of May 1, 2012		\$ <u>22,568,213</u>
Approximate Annual Rate of Return		<u>4.32%</u>

ASSET CHANGES DURING PRIOR YEAR



NORMAL COST

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

		as of May 1	
		<u>2012</u>	<u>2011</u>
Total Normal Cost	\$	651,857	\$ 713,693
Anticipated Employee Contributions		<u>307,238</u>	<u>301,891</u>
Village Normal Cost		<u>344,619</u>	<u>411,802</u>
Normal Cost Payroll	\$	3,100,282	\$ 3,046,326
Village Normal Cost Rate		11.12%	13.52%
Total Normal Cost Rate		21.03%	23.43%

NORMAL COST

As Of May 1, 2012

52.9%



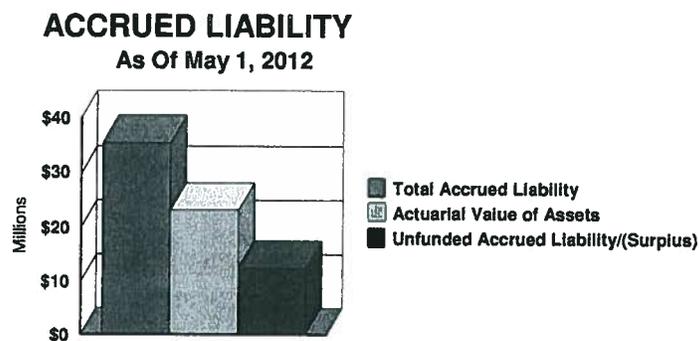
47.1%

■ Anticipated Employee Contributions
■ Village Normal Cost

ACCRUED LIABILITY

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

	as of May 1	
Accrued Liability	<u>2012</u>	<u>2011</u>
Active Employees	\$ 15,987,251	\$ 15,222,610
Children Annuities	0	0
Disability Annuities	869,128	1,075,807
Retirement Annuities	17,502,483	16,290,074
Surviving Spouse Annuities	1,219,025	1,208,881
Terminated Vested Annuities	<u>0</u>	<u>0</u>
Total Annuities	19,590,636	18,574,762
Total Accrued Liability	35,577,887	33,797,372
Actuarial Value of Assets	<u>23,119,916</u>	<u>21,736,074</u>
Unfunded Accrued Liability/(Surplus)	\$ <u>12,457,971</u>	\$ <u>12,061,298</u>
Percent Funded	65.0%	64.3%



TAX LEVY REQUIREMENT

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

	For Year Ending April 30	
	<u>2013</u>	<u>2012</u>
Village Normal Cost as of Beginning of Year	\$ 344,619	\$ 411,802
Amortization of Unfunded Accrued Liability/(Surplus)	569,049	489,275
Interest for One Year	<u>66,241</u>	<u>67,581</u>
Tax Levy Requirement as of End of Year	\$ <u>979,909</u>	\$ <u>968,658</u>
Public Act 096-1495 Tax Levy Requirement		
1) Normal Cost (PUC)	518,156	538,223
2) Accrued Liability (PUC)	33,450,974	31,984,724
3) Amortization Payment	319,101	285,995
4) Interest for One Year	60,701	61,816
5) PA 096-1495 Tax Levy Requirement (1 + 3 + 4)	\$ <u>897,958</u>	886,034

TAX LEVY REQUIREMENT

For Fiscal Year Ending April 30, 2013



SUMMARY OF PLAN PARTICIPANTS

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

Name
Sex
Date of Birth
Date of Hire
Compensation
Employee Contributions

The information provided for Inactive participants included:

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

Membership	<u>2012</u>	<u>2012</u>	<u>2011</u>	<u>2011</u>
Current Employees				
Vested	23		22	
Nonvested	<u>15</u>		<u>17</u>	
Total	<u>38</u>		<u>39</u>	
Inactive Participants		<u>Annual Benefits</u>		<u>Annual Benefits</u>
Children	0 \$	0	0 \$	0
Disabled Employees	<u>2</u>	<u>71,877</u>	2	70,473
Retired Employees	<u>24</u>	<u>1,255,155</u>	23	1,159,579
Surviving Spouses	<u>6</u>	<u>132,374</u>	6	131,681
Terminated Vesteds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>32</u>	<u>1,459,406</u>	<u>31</u>	<u>1,361,733</u>
Annual Payroll	\$	3,100,282	\$	3,046,326

SUMMARY OF PLAN PARTICIPANTS (Continued)

Age and Service Distribution

Service Age	0-4	5-9	10-14	15-19	20-24	25-29	30+	Total	Salary
20-24	2							2	52,728
25-29	4	2						6	66,921
30-34		8	7					15	79,606
35-39	1	1	1					3	73,521
40-44				1	1			2	97,178
45-49				2	5	1		8	96,447
50-54					1	1		2	106,361
55-59									
60+									
Total	<u>7</u>	<u>11</u>	<u>8</u>	<u>3</u>	<u>7</u>	<u>2</u>	<u>0</u>	<u>38</u>	<u>81,586</u>
Salary	60,216	76,217	82,716	87,194	98,250	114,660			

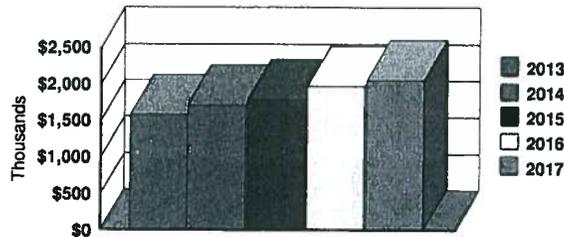
Average Age: 36.0 Average Service: 11.5

DURATION (years) Active Members: 21.7 Retired Members: 9.9 All Members: 14.8

PROJECTED PENSION PAYMENTS

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$1,588,274	\$1,731,787	\$1,815,463	\$1,982,193	\$2,068,059

PROJECTED PENSION PAYMENTS
2013-2017



SUMMARY OF PLAN PROVISIONS

The Plan Provisions have not been changed from the prior year.

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

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

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

Surviving spouses receive the greater of (50%) of final salary or the employee's retirement benefit.

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

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

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

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

ACTUARIAL METHODS

The Actuarial Methods employed for this valuation are as follows:

Projected Unit Credit Cost Method (for years beginning on or after 2011 for PA 096-1495)

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

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

Entry Age Normal Cost Method

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

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

ACTUARIAL ASSUMPTIONS

The Actuarial Assumptions used for determining the Tax Levy Requirement and GASB Statements No. 25 & 27 Disclosure Information are the same (except where noted) and have been changed from the prior year (discussion on page 4). The Actuarial Assumptions employed for this valuation are as follows:

Valuation Date	May 1, 2012
Asset Valuation Method	5-year Average Market Value
Investment Return	7.25%
Salary Scale	5.00%
Mortality	1983 Group Annuity Mortality Table
Withdrawal	Graduated Rates
Disability	Graduated Rates
Retirement	State of Illinois DOI Experience Rates (100% by Age 62)
Marital Status	80% Married, Female spouses 3 years younger
Plan Expenses	None

Sample Annual Rates Per 100 Participants

<u>Age</u>	<u>Mortality</u>	<u>Withdrawal</u>	<u>Disability</u>	<u>Retirement</u>
20	0.03	8.50	0.08	
30	0.05	7.00	0.10	
40	0.10	2.85	0.20	
50	0.28		0.52	20.00
60	0.67		1.74	83.33
62	0.82			100.00

GASB STATEMENTS NO. 25 & 27 DISCLOSURE INFORMATION

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

Membership in the plan consisted of the following as of:

	<u>April 30, 2012</u>	<u>April 30, 2011</u>
Retirees and beneficiaries receiving benefits	32	31
Terminated plan members entitled to but not yet receiving benefits	0	0
Active vested plan members	23	22
Active nonvested plan members	<u>15</u>	<u>17</u>
Total	<u>70</u>	<u>70</u>
Number of participating employers	1	1

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
04/30/10	20,792,849	31,519,264	10,726,415	66.0%	2,963,418	362.0%
04/30/11	21,736,074	33,797,372	12,061,298	64.3%	3,046,326	395.9%
04/30/12	22,568,213	35,432,508	12,864,295	63.7%	3,100,282	414.9%

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

ANNUAL PENSION COST AND NET PENSION OBLIGATION

	<u>April 30, 2012</u>	<u>April 30, 2011</u>
Annual required contribution	1,036,176	943,146
Interest on net pension obligation	(25,851)	(25,262)
Adjustment to annual required contribution	<u>14,180</u>	<u>17,259</u>
Annual pension cost	1,024,505	935,143
Contributions made	<u>1,036,000</u>	<u>943,000</u>
Increase (decrease) in net pension obligation	(11,495)	(7,857)
Net pension obligation beginning of year	<u>(344,683)</u>	<u>(336,826)</u>
Net pension obligation end of year	<u>(356,178)</u>	<u>(344,683)</u>

THREE-YEAR TREND INFORMATION

Fiscal Year <u>Ending</u>	Annual Pension Cost (APC) <u>Cost (APC)</u>	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
04/30/10	804,620	101.0%	(336,826)
04/30/11	935,143	100.8%	(344,683)
04/30/12	1,024,505	101.1%	(356,178)

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

FUNDING POLICY AND ANNUAL PENSION COST

Contribution rates:

Village	33.42%	30.96%
Plan members	9.91%	Same
Annual pension cost	1,024,505	935,143
Contributions made	1,036,000	943,000
Actuarial valuation date	04/30/2012	04/30/2011
Actuarial cost method	Entry age	Same
Amortization period	Level percentage of pay, closed	Same
Remaining amortization period	29 years	30 years
Asset valuation method	Market	Same
Actuarial assumptions:		
Investment rate of return*	7.50%	Same
Projected salary increases*	6.00%	Same
*Includes inflation at	3.00%	Same
Cost-of-living adjustments	3.00% per year	Same

MEMORANDUM

A-6

TO: Mark Franz, Village Manager *MF*

FROM: Kevin Wachtel, Finance Director *KW*

DATE: November 30, 2012

RE: 2012 Property Tax Ordinance



Background

On October 22, 2012, the Village Board held a discussion on the 2012 property tax levy and passed the resolution of intent. On November 1, 2012, the notice for the truth in taxation hearing was published in the Glen Ellyn News. On November 13, the truth in taxation hearing on the tax levy was held along with the first reading of the tax levy ordinance. The second reading/adoption of the tax levy ordinance is up for consideration on December 3, 2012.

Since the resolution of intent and hearing, we have adjusted the tax levy by modifying the new growth component from 1.0% to 0.4%, and by removing the tax cap growth increase from the portion of the levy that is being reallocated from bonds to capital.

Abatement ordinances relating to Village Links and Library bonds will be considered at a subsequent Village Board meeting.

Action Requested

Adopt the 2012 property tax levy ordinance.

Attachments

- Proposed 2012 Property Tax Ordinance.
- 2012 Property Tax Levy Summary

Ordinance No. _____

**An Ordinance for the Levy and Assessment of Taxes in the Amount of \$11,126,203
for the Fiscal Year Beginning May 1, 2012 and Ending, April 30, 2013,
of the Village of Glen Ellyn, DuPage County, Illinois**

Whereas, the Board of Trustees of the Village of Glen Ellyn, County of DuPage and the State of Illinois did on the 23rd day of April, 2012, pass the Annual Budget for the Village of Glen Ellyn, the amount of which is ascertained to be the aggregate of \$30,236,200 for operational purposes of the Village and \$13,257,950 for capital and debt expenditures, which said Budget was duly considered and heard by public hearing on the 9th day of April, 2012, in accordance with the provisions of Chapter 65, 5/8-2-9, Illinois Compiled Statutes; and

Whereas, the Board of Directors of the Glen Ellyn Public Library determined on September 17, 2012, the financial requirements of the Library for the fiscal year beginning May 1, 2012, and ending April 30, 2013, the amount of which, in the judgement of the Board of Library Directors, would be necessary to levy for Library purposes in this annual Tax Levy Ordinance, in the amount of \$3,559,628 for general operational purposes; and

Whereas, the Board of Trustees of the Village of Glen Ellyn at an open meeting held on October 22, 2012, considered the Annual Budget heretofore adopted, the request of the Board of Directors of the Glen Ellyn Public Library, and all sources of revenue available to the Village of Glen Ellyn and determined the amounts of money, exclusive of any cost of conducting an election required by the general election law and any debt service levies, estimated to be necessary to be raised by taxation for operating expenses for the fiscal year ending April 30, 2013, upon the taxable property in the Village of Glen Ellyn to be \$9,428,814 (\$5,869,186 Village, \$3,559,628 Library), which is an increase from the amount of property taxes extended

upon the levy of the preceding year, exclusive of debt service levies and levies for required election costs, by \$1,385,592 or 17.2%; and

Whereas, the Board of Trustees of the Village of Glen Ellyn during its deliberations determined that the amounts of money, exclusive of any cost of conducting an election required by the general election law and any debt service levies, estimated to be necessary to be raised by taxation for operating expenses for the fiscal year ending April 30, 2013, upon the taxable property in the Village of Glen Ellyn to be \$9,377,105 (\$5,817,477 Village, \$3,559,628 Library), which is increased from the amount of property taxes extended upon the levy of the preceding year, exclusive of debt service levies and levies for required election costs, by \$1,333,883 or 16.6%; and

Whereas, the Village of Glen Ellyn and the Glen Ellyn Public Library have financed the construction of significant capital projects through the issuance of General Obligation Bonds, debt service payments for which have been determined to be \$1,749,098 (\$1,237,621 Village, and \$511,477 Library) for the fiscal year 2012/13, which includes possible abatements totaling \$665,641 which will be considered by the Village Board prior to the extension of 2012 property taxes by DuPage County next spring; and

Whereas, a public hearing on the proposed tax levy was held on November 13, 2012 as required by the Truth in Taxation Law (35 ILCS 200/18-55);

Now, therefore be it ordained by the President and Board of Trustees of the Village of Glen Ellyn, DuPage County, Illinois, in the exercise of its home rule powers, as follows:

Section One: That the amount of appropriations for all corporate purposes legally made, except debt service expenditures, to be collected from the tax levy of the current fiscal year is hereby ascertained to be \$9,377,105 and the total amount of debt service expenditures to be

collected from the tax levy of the current fiscal year is hereby ascertained to be \$1,749,098 thereby resulting in the total amount of all appropriations, including debt service expenditures, to be collected from the tax levy of the current fiscal year to be \$11,126,203.

Section Two: That the sum of \$11,126,203, being the total amounts budgeted heretofore in accordance with law and which are to be collected from the tax levy of the current fiscal year of the Village of Glen Ellyn for all corporate purposes of said Village of Glen Ellyn and for purposes of funding the General Corporate Fund, Capital Projects Fund, Bond and Interest Funds, and Public Library Fund, as heretofore legally budgeted for the current fiscal year by an Annual Budget Ordinance of the Village of Glen Ellyn for the 2013 fiscal year, passed and approved by the President and Board of Trustees of said Village at a legally convened meeting of April 23, 2012, and the same is hereby levied upon all the taxable real property in the Village of Glen Ellyn subject to taxation for the current year; the specific amounts as levied for the various funds heretofore named being included herein by being placed in separate columns under the heading "To Be Raised By Tax Levy" which appears over the same, the tax so levied being for the current fiscal year of said Village, and for said amounts budgeted to be collected from said tax levy, the total of which has been ascertained as aforesaid and being as follows:

SPECIAL PURPOSES TAX FUNDS		
<u>LEVY</u>	<u>AMOUNT BUDGETED</u>	<u>TO BE RAISED BY TAX LEVY</u>
GENERAL PURPOSE: (Police)	\$7,174,848	\$3,095,288
GENERAL PURPOSE: (Capital Projects)	6,702,000	2,722,189
G.O. BONDS, 2012:		

General Obligation Bonds, 2012 Principal of \$185,000 and Interest of \$125,652 (Per Ordinance No. 6079, passed 09/25/12). (Village Links Clubhouse Renovation - \$5.0 million, to be abated from golf course revenues by separate Ordinance)	310,652	310,652
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G.O. REFUNDING BONDS, SERIES 2010:

General Obligation Refunding Bonds, 2010 Principal of \$250,000 and Interest of \$82,418 (Per Ordinance No. 5889, passed 10/11/10). (Village Links Renovation - \$4.58 million, to be abated from golf course revenues by separate Ordinance)	332,418	332,418
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G.O. BONDS, SERIES 2003A:

General Obligation Corporate Purpose Bonds, 2003A Principal of \$575,000 and Interest of \$19,550 (Per Ordinance No. 5166, passed 4/28/03). (Street / Storm Sewer - \$5 million)	594,550	594,550
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TOTAL VILLAGE, ALL LEVIES	\$15,114,468	\$7,055,097
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ESTABLISHMENT AND MAINTENANCE OF
FREE PUBLIC LIBRARY

Library General Purpose Levy	\$3,551,450	\$3,265,628
Library Social Security Contribution	135,000	100,000
Library IMRF Contribution	188,500	184,500
Library Audit Fund	7,000	4,500
Library Tort Liability and Insurance Premiums	15,000	5,000

G.O. REFUNDING BONDS, SERIES 2010:

General Obligation Refunding Bonds, 2010 Principal of \$375,000 and Interest of \$7,500 (Per Ordinance No. 5889, passed 10/11/10). . (Library Construction)	382,500	382,500
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G.O. BONDS, TAXABLE SERIES 2010:

General Obligation Corporate Purpose Bonds, Taxable 2010 Principal of \$0 and Interest of \$128,978 (Per Ordinance No. 5821, passed 11/23/09). (Library Building Repairs)	128,978	128,978
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TOTAL LIBRARY, ALL LEVIES	<u>\$4,408,428</u>	<u>\$4,071,106</u>
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SUMMARY OF TAX FUND LEVIES

General Purpose Levy (Police)	\$7,174,848	\$3,095,288
General Purpose Levy (Capital Projects)	6,702,000	2,722,189
2012 G.O. Bonds (Village Links Clubhouse Renovation)	310,652	310,652
2010 G.O. Refunding Bonds (Village Links Renovation)	332,418	332,418
2003A G.O. Bonds (2000 Storm Sewer)	594,550	594,550
Library General Purpose Levy	3,551,450	3,265,628
Library Social Security Contribution	135,000	100,000
Library IMRF Contribution	188,500	184,500
Library Audit Fund	7,000	4,500
Library Tort Liability and Insurance Premiums	15,000	5,000

2010 G.O. Refunding Bonds, (1994 Library Construction)	382,500	382,500
2010 Taxable G.O. Bonds (Library Repairs)	128,978	128,978
TOTAL	<u>\$19,522,896</u>	<u>\$11,126,203</u>

RECAP OF TAX LEVIES

Village of Glen Ellyn General Levy	\$5,817,477
Village of Glen Ellyn Debt Service Levy	1,237,621
Glen Ellyn Public Library General Levy	3,265,628
Glen Ellyn Public Library Special Funds and Levies	294,000
Glen Ellyn Public Library Debt Service Levy	511,477
TOTAL	<u>\$11,126,203</u>

Section Three: That the amounts budgeted and not expressly itemized and carried forward in this Tax Levy Ordinance will be paid out of monies from sources other than the tax levy.

Section Four: That the total amount of \$11,126,203 ascertained as aforesaid, be hereby levied and assessed on all property subject to taxation within the Village of Glen Ellyn according to the value of said property as the same is assessed and equalized for state and county purposes for the current year.

Section Five: That it is hereby certified to the County Clerk of DuPage County, Illinois, the total amount of \$11,126,203 which the Village of Glen Ellyn requires to be raised by taxation for the current fiscal year of the Village, and the Village Clerk of the Village is hereby ordered and directed to file with the County Clerk of said county on or before the time required by law a certified copy of this ordinance.

Section Six: That it is hereby certified to the County Clerk of DuPage County, Illinois, that the President and Board of Trustees, acting as the corporate authorities of the Village of Glen Ellyn, DuPage County, Illinois, have complied and conformed with all the requirements of the Truth in Taxation Act, (Illinois Compiled Statues, Chapter 35, Sections 200/18-55 et seq.), where required, and the President of said Village is hereby ordered and directed to file with the County Clerk of said county, together with the certified copy of this ordinance as provided hereinabove, a certification that said Village complied with all requirements of the Truth in Taxation Act, if required by law or by the said County Clerk.

Section Seven: This ordinance shall take effect and be in full force and effect from and after its passage and approval, as provided by law.

Passed by the President and Board of Trustees of the Village of Glen Ellyn, Illinois, this _____ day of _____, 2012, on second reading, with first reading having occurred on November 13, 2012.

Ayes:

Nays:

Absent:

Approved by the President of the Village of Glen Ellyn, Illinois, this day of _____, 2012.

Village President of the
Village of Glen Ellyn, Illinois

Attest:

Village Clerk of the
Village of Glen Ellyn, Illinois
(Published in pamphlet form and posted on the _____ day of _____, 2012.)



STATE OF ILLINOIS)

COUNTY OF DU PAGE)

I, Mark Pfefferman, do hereby certify that I am the duly qualified and acting Village President of the Village of Glen Ellyn, DuPage County, Illinois.

I do further certify that the Village of Glen Ellyn, DuPage County, Illinois, has complied and conformed with all the requirements of the Truth in Taxation Act, (Illinois Compiled Statutes, Chapter 35, Sections 200/18-55 et seq.), in connection with its 2012 Tax Levy Ordinance (Ordinance No. _____).

IN WITNESS WHEREOF, I hereunto affix my official signature at Glen Ellyn, Illinois, this _____ day of _____, 2012.

Village President

(SEAL)



CERTIFICATION

I, Patti Underhill, duly appointed Acting Village Clerk of the Village of Glen Ellyn, Illinois, do hereby certify that the attached is the true original copy of Ordinance No. _____, passed by the Board of Trustees of the Village of Glen Ellyn, Illinois, at the _____ Meeting of said Board held on the _____ day of _____, and that the same was signed and approved by the President of said Village on the _____ day of _____.

I do further certify that the original is entrusted to me as Acting Village Clerk of said Village for safekeeping and that I am the lawful custodian and keeper of the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the Village of Glen Ellyn, Illinois, this _____ day of _____.

Acting Village Clerk

CORPORATE SEAL

VILLAGE OF GLEN ELLYN

ESTIMATED 2012 PROPERTY TAX LEVY

(to be collected in 2013)

	2011 Taxes <u>Extended</u>	2012 Proposed <u>Levy</u>	\$ <u>Inc/(Dec)</u>	% <u>Inc/(Dec)</u>
VILLAGE LEVY:				
Operating - General Fund	\$ 2,993,509	\$ 3,095,288	\$ 101,779	3.4%
Operating - Capital Fund	1,590,889	1,644,979	54,090	3.4%
Reallocated debt - Capital	-	1,077,210	-	0.0% ¹
Total Operating	4,584,398	5,817,477	1,233,079	26.9%
2003 bonds (refunded in '10)	1,077,210	-		
2010 bonds	593,927	594,551	624	0.1%
Bond Payments	1,671,137	594,551	(1,076,586)	-64.4%
Total	6,255,535	6,412,028	156,493	2.5%

LIBRARY LEVY:				
Operating	\$ 3,458,824	\$ 3,559,628	\$ 100,804	2.9%
Bond Payments	463,472	488,906	25,434	5.5%
Total	3,922,296	4,048,534	126,238	3.2%

TOTAL, VILLAGE AND LIBRARY				
Operating	\$ 6,452,333	\$ 6,654,916	\$ 202,583	3.1%
Operating - Capital	1,590,889	1,644,979	54,090	3.4%
Reallocated debt-Capital	-	1,077,210	1,077,210	-
Total Operating²	8,043,222	9,377,105	1,333,883	16.6%
Bond Payments	2,134,609	1,083,457	(1,051,152)	-49.2%
Total	\$ 10,177,831	\$ 10,460,562	\$ 282,731	2.8%

Abatement	2010 Refunding Bonds	332,418	(Village Links)
	2012 Clubhouse Renovation Bonds	310,652	(Village Links)
	2010 Build America Bonds	22,571	(Library)
		665,641	

Total Tax Levy Ordinance Amount \$ 11,126,203

¹ Calculation is the difference from the 2011 levy for 2003 bonds (\$1,077,210) and the amount reallocated to capital (\$1,077,210)

² Total operating increase is subject to required public hearing under the Truth in Taxation Act if percentage increase, excluding debt, is greater than 5.0% of taxes extended in prior year.

³ Abatement ordinances will be considered at a future meeting.

Note: There may be slight differences due to rounding

MEMORANDUM

A-7

TO: Mark Franz, Village Manager *MF*
FROM: Kevin Wachtel, Finance Director *KW*
DATE: November 27, 2012
RE: 2012 Lambert Farms Special Service Area Levy



Background

An additional property tax item for consideration by the Village Board at their December 3, 2012, meeting is the adoption of a tax levy ordinance for Special Service Area 12, which was established in 2006 to recover the cost of constructing a sanitary sewage collection system in the Lambert Farms subdivision. This is the 7th tax levy in the 20 year term of SSA12.

The total construction cost of these improvements was approximately \$1.5 million which was substantially financed through a low interest IEPA loan. Based on this, the SSA 12 property tax levy for 2012 is set at \$96,000, which is the same as the levies for the six preceding years.

One key provision in the enabling ordinance establishing SSA 12 was a maximum annual tax rate not to exceed \$1.86 per \$100 of assessed value. This estimate included a provision which allowed for more costly conventional GO Bond financing in the event the Village was not able to secure a below market rate from the IEPA revolving loan fund.

The tax rate history since inception is illustrated below:

<u>Levy Year</u>	<u>Tax Rate</u>
2006	\$1.38
2007	\$1.17
2008	\$1.13
2009	\$1.12
2010	\$1.12
2011	\$1.12

We should not have any issues keeping the 2012 rate below the \$1.86 limit, even considering anticipated reductions in assessed property values.

Action Requested

Adoption of the attached proposed SSA levy ordinance at the December 3, 2012 Village Board meeting.

Attachments

- SSA 12 2012 Proposed Levy Ordinance

Ordinance No. _____

**An Ordinance for the Levy and Assessment of Taxes
for the 2012 Tax Levy Year in the Amount of \$96,000 for the
Village of Glen Ellyn Special Service Area Number Twelve**

Whereas, the Board of Trustees of the Village of Glen Ellyn, County of DuPage and the State of Illinois, pursuant to the Special Service Area Tax Law (35 ILCS 200/27 et seq. (the “Act”)), adopted Ordinance No. 5446 on March 6, 2006, proposing the establishment of a special service area (“SSA”) in a portion of an area in the Village known as the Lambert Farms Subdivision, for the purpose of constructing a public sanitary sewer system and levying a tax to be extended on the real property located within the proposed SSA to pay for said improvements, and setting a public hearing on the matter for March 27, 2006, and providing for notice of said public hearing; and

Whereas, a public hearing was convened before the corporate authorities on March 27, 2006, at which all interested persons were heard orally in respect to the issues embodied in the notice, and was concluded on that same date; and

Whereas, within sixty days following the conclusion of the public hearing, petitions objecting to the establishment of the SSA were submitted to the Village Clerk, and which were subsequently determined by the corporate authorities to be insufficient to prevent the establishment of the SSA; and

Whereas, on September 11, 2006, the Board of Trustees of the Village of Glen Ellyn adopted Ordinance No. 5503, “An Ordinance of the Village of Glen Ellyn Establishing a Special Service Area in a Portion of Lambert Farms Subdivision”, hereinafter referred to as Village of Glen Ellyn Special Service Area Number Twelve;

Now, therefore be it ordained by the President and Board of Trustees of the Village of Glen Ellyn, DuPage County, Illinois, in the exercise of its home rule powers as follows:

Section 1: Findings. The Village of Glen Ellyn Special Service Area Number Twelve was established through Village Ordinance No. 5503 entitled:

An Ordinance of the Village of Glen Ellyn
Establishing a Special Service Area in a
Portion of Lambert Farms Subdivision

adopted on September 11, 2006, and effective from and after its passage and publication in the manner provided by law. Said Special Service Area Number Twelve consists of the territory described in the Ordinance aforesaid.

Section 2: Levy of Tax. For the purpose of providing the funds required to provide the special services authorized for Special Service Area Number Twelve, there shall be and hereby is levied a tax upon all the taxable real property, as defined in the Revenue Act of 1939, within Village of Glen Ellyn Special Service Area Number Twelve, at a rate not to exceed \$1.86 per \$100 of equalized assessed valuation of said property, but sufficient to produce a tax of \$96,000 for the 2012 tax year. Said tax shall be in addition to all other taxes presently levied by any taxing district against said property within Special Service Area Number Twelve.

Section 3: Extension of Taxes. Forthwith as soon as this Ordinance becomes effective, the Village Clerk of this Village is hereby directed to file a copy of this Ordinance with the County Clerk of DuPage County, which copy shall be certified to by the Village Clerk and which certification shall recite that this Ordinance has been passed by the President and Board of Trustees of said Village, and it shall be the duty of said County Clerk, in order to produce the tax hereinbefore levied, to extend the same for collection on the tax books against all of the taxable

property within said Special Service Area Number Twelve in addition to other taxes levied in said year in said Special Service Area in order to raise the amount levied aforesaid; and such tax shall be computed, extended and collected in the same manner as now or hereafter provided by law for the computation, extension and collection of taxes for statutorily authorized purposes of the Village. When collected, the taxes hereby levied shall be pledged to and shall be used only for the purposes authorized by the corporate authorities of the Village pursuant to Ordinance No. 5503.

Section 4: Effective Date. All ordinances, resolutions and orders, or parts thereof, in conflict herewith, be and the same are hereby repealed; and this Ordinance shall be in full force and effect upon its passage, approval and publication as provided by law.

Passed by the Village President and Board of Trustees of the Village of Glen Ellyn, Illinois, this _____ day of _____, 2012.

Ayes:

Nays:

Absent:

Approved by the Village President of the Village of Glen Ellyn, Illinois, this _____ day of _____, 2012.

Village President of the
Village of Glen Ellyn, Illinois

Attest:

Village Clerk of the

Village of Glen Ellyn, Illinois

(Published in pamphlet form and posted this _____ day of _____, 2012).



STATE OF ILLINOIS)

COUNTY OF DU PAGE)

I, Mark Pfefferman, do hereby certify that I am the duly qualified and acting Village President of the Village of Glen Ellyn, DuPage County, Illinois.

I do further certify that the provisions of the "Truth in Taxation Act" (Illinois Compiled Statutes, Chapter 35, Sections 200/18-55 et seq.) are **inapplicable** to the Village of Glen Ellyn in connection with its 2012 Tax Levy Ordinance for Special Service Area Number 12 (Ordinance No. _____).

IN WITNESS WHEREOF, I hereunto affix my official signature at Glen Ellyn, Illinois, this _____ day of _____, 2012.

Village President

(SEAL)

A-8

MEMORANDUM

TO: Mark Franz, Village Manager *MF*
FROM: Kevin Wachtel, Finance Director *KW*
DATE: November 27, 2012
RE: 2012 Commercial Districts Special Service Area Levies



Background

The Village has five Special Service Areas covering all commercially-zoned areas in Glen Ellyn including the Roosevelt Road Corridor, the Downtown Central Business District, and the historic Stacy's Corners. These special taxing areas may levy an additional property tax at a maximum rate of 15 cents per \$100 of assessed value for the purpose of providing funding for economic development activities and programs in the Village. The commercial SSAs were reestablished in 2009 following a public notice and hearing process as required by State statutes.

Collections from the 2012 commercial SSA tax levies will be received in 2013 and will provide economic development funding for fiscal year 2013/14. Similar to prior years, last year's 2011 levy continued to target a tax rate of 12.5 cents per \$100 assessed value, slightly under the maximum 15 cent rate allowed by the ordinances establishing the SSAs. The Village Board recently indicated consensus for continuing the 12.5 cent rate for the 2012 levy.

Attached is a worksheet which calculates estimated 2012 tax levies at the target 12.5 cent tax rate. Based on information from the Assessor's office, we have assumed a further decline in assessed values of 6.4% for 2012 following 8.3% and 4.5% declines in 2011 and 2010 respectively. We will actually levy an even higher amount with the intention of capturing any new growth in each of the districts. If the levy is set too low, there is a higher probability of ending up with different tax rates among the districts. There is no consequence to setting the levy too high because the tax levy ordinances instruct DuPage County to limit the levy to the 12.5 cent tax rate. The County will then cut back each levy to the point where a 12.5 cent tax rate is achieved.

Action Requested

Adoption of the attached proposed SSA levy ordinances at the December 3, 2012 Village Board meeting.

Attachments

- 2012 Commercial SSA Levy Calculations
- 2012 Proposed Commercial SSAs 13-17 Levy Ordinances

Ordinance No. _____

**An Ordinance for the Levy and Assessment of Taxes
for the 2012 Tax Levy Year in the Amount of \$55,600 for
Village of Glen Ellyn Special Service Area Number 13**

Be it Ordained by the President and Board of Trustees of the Village of Glen Ellyn, DuPage County, Illinois, in exercise of its home rule powers as follows:

Section 1: Findings. Village of Glen Ellyn Special Service Area Number 13 was established through the passage of Ordinance No. 5824 entitled “An Ordinance Establishing Special Service Area Number 6 in the Central Business District of the Village of Glen Ellyn” on November 23, 2010 and its description amended to Special Service Area 13 through the passage of Ordinance No. 5839 entitled “An Ordinance Amending the Description of a Number of Newly Created Glen Ellyn Special Service Areas and Amending the 2009 Tax Levies of Said Special Service Areas” on January 11, 2010.

Section 2: Levy of Tax. For the purpose of providing the funds required to provide the special services authorized for Special Service Area Number 13, there shall be and hereby is levied a tax upon all the taxable property, as defined in the Revenue Act of 1939, within Village of Glen Ellyn Special Service Area Number 13, at a rate not to exceed 0.125% of assessed value, as equalized, of said property, but sufficient to produce a tax of \$55,600 for the 2012 tax year. Said tax shall be in addition to all other taxes presently levied by any taxing district against said property within Special Service Area Number 13.

Section 3: Extension of Taxes. Forthwith as soon as this Ordinance becomes effective, the Village Clerk of this Village is hereby directed to file a copy of this Ordinance with the County Clerk of DuPage County, which copy shall be certified to by the Village Clerk and

which certification shall recite that this Ordinance has been passed by the President and Board of Trustees of said Village, and it shall be the duty of said County Clerk, in order to produce the tax hereinbefore levied, to extend the same for collection on the tax books against all of the taxable property within said Special Service Area Number 13 in addition to other taxes levied in said year in said Special Service Area in order to raise the amount levied aforesaid; and such tax shall be computed, extended and collected in the same manner as now or hereafter provided by law for the computation, extension and collection of taxes for statutorily authorized purposes of the Village. When collected, the taxes hereby levied shall be pledged to and shall be used only for the purposes authorized by the corporate authorities of the Village pursuant to Ordinance No. 5824.

Section 4: Effective Date. All ordinances, resolutions and orders, or parts thereof, in conflict herewith, be and the same are hereby repealed; and this Ordinance shall be in full force and effect upon its passage, approval and publication as provided by law.

Passed by the President and Board of Trustees of the Village of Glen Ellyn, Illinois, this ____ day of _____, 2012.

Ayes:

Nays:

Absent:

Approved by the Village President of the Village of Glen Ellyn, Illinois, this ____ day of _____, 2012.

Village President of the
Village of Glen Ellyn, Illinois

Attest:

Village Clerk of the
Village of Glen Ellyn, Illinois

(Published in pamphlet form and posted this _____ day of _____, 2012).



STATE OF ILLINOIS)

COUNTY OF DU PAGE)

I, Mark Pfefferman, do hereby certify that I am the duly qualified and acting Village President of the Village of Glen Ellyn, DuPage County, Illinois.

I do further certify that the provisions of the "Truth in Taxation Act" (Illinois Compiled Statutes, Chapter 35, Sections 200/18-55 et seq.) are **inapplicable** to the Village of Glen Ellyn in connection with its 2012 Tax Levy Ordinance for Special Service Area Number 13 (Ordinance No. _____).

IN WITNESS WHEREOF, I hereunto affix my official signature at Glen Ellyn, Illinois, this _____ day of _____, 2012.

Village President

(SEAL)

Ordinance No. _____

**An Ordinance for the Levy and Assessment of Taxes
for the 2012 Tax Levy Year in the Amount of \$127,500 for
Village of Glen Ellyn Special Service Area Number 14**

Be it Ordained by the President and Board of Trustees of the Village of Glen Ellyn, DuPage County, Illinois, in exercise of its home rule powers as follows:

Section 1: Findings. Village of Glen Ellyn Special Service Area Number 14 was established through the passage of Ordinance No. 5825 entitled “An Ordinance Establishing Special Service Area Number 7 in a Portion of the Roosevelt Road Business District of the Village of Glen Ellyn” on November 23, 2010 and its description amended to Special Service Area 14 through the passage of Ordinance No. 5839 entitled “An Ordinance Amending the Description of a Number of Newly Created Glen Ellyn Special Service Areas and Amending the 2010 Tax Levies of Said Special Service Areas” on January 11, 2010.

Section 2: Levy of Tax. For the purpose of providing the funds required to provide the special services authorized for Special Service Area Number 14, there shall be and hereby is levied a tax upon all the taxable property, as defined in the Revenue Act of 1939, within Village of Glen Ellyn Special Service Area Number 14, at a rate not to exceed 0.125% of assessed value, as equalized, of said property, but sufficient to produce a tax of \$127,500 for the 2012 tax year. Said tax shall be in addition to all other taxes presently levied by any taxing district against said property within Special Service Area Number 14.

Section 3: Extension of Taxes. Forthwith as soon as this Ordinance becomes effective, the Village Clerk of this Village is hereby directed to file a copy of this Ordinance with the County Clerk of DuPage County, which copy shall be certified to by the Village Clerk and

which certification shall recite that this Ordinance has been passed by the President and Board of Trustees of said Village, and it shall be the duty of said County Clerk, in order to produce the tax hereinbefore levied, to extend the same for collection on the tax books against all of the taxable property within said Special Service Area Number 14 in addition to other taxes levied in said year in said Special Service Area in order to raise the amount levied aforesaid; and such tax shall be computed, extended and collected in the same manner as now or hereafter provided by law for the computation, extension and collection of taxes for statutorily authorized purposes of the Village. When collected, the taxes hereby levied shall be pledged to and shall be used only for the purposes authorized by the corporate authorities of the Village pursuant to Ordinance No. 5825.

Section 4: Effective Date. All ordinances, resolutions and orders, or parts thereof, in conflict herewith, be and the same are hereby repealed; and this Ordinance shall be in full force and effect upon its passage, approval and publication as provided by law.

Passed by the President and Board of Trustees of the Village of Glen Ellyn, Illinois, this ____ day of _____, 2012.

Ayes:

Nays:

Absent:

Approved by the Village President of the Village of Glen Ellyn, Illinois, this ____ day of _____, 2012.

Village President of the
Village of Glen Ellyn, Illinois

Attest:

Village Clerk of the
Village of Glen Ellyn, Illinois

(Published in pamphlet form and posted this _____ day of _____, 2012).



STATE OF ILLINOIS)

COUNTY OF DU PAGE)

I, Mark Pfefferman, do hereby certify that I am the duly qualified and acting Village President of the Village of Glen Ellyn, DuPage County, Illinois.

I do further certify that the provisions of the "Truth in Taxation Act" (Illinois Compiled Statutes, Chapter 35, Sections 200/18-55 et seq.) are **inapplicable** to the Village of Glen Ellyn in connection with its 2012 Tax Levy Ordinance for Special Service Area Number 14 (Ordinance No. _____).

IN WITNESS WHEREOF, I hereunto affix my official signature at Glen Ellyn, Illinois, this _____ day of _____, 2012.

Village President

(SEAL)

Ordinance No. _____

**An Ordinance for the Levy and Assessment of Taxes
for the 2012 Tax Levy Year in the Amount of \$5,700 for
Village of Glen Ellyn Special Service Area Number 15**

Be it Ordained by the President and Board of Trustees of the Village of Glen Ellyn, DuPage County, Illinois, in exercise of its home rule powers as follows:

Section 1: Findings. Village of Glen Ellyn Special Service Area Number 15 was established through the passage of Ordinance No. 5826 entitled “An Ordinance Establishing Special Service Area Number 9 in a Portion of the Roosevelt Road Business District of the Village of Glen Ellyn” on November 23, 2010 and its description amended to Special Service Area 15 through the passage of Ordinance No. 5839 entitled “An Ordinance Amending the Description of a Number of Newly Created Glen Ellyn Special Service Areas and Amending the 2010 Tax Levies of Said Special Service Areas” on January 11, 2010.

Section 2: Levy of Tax. For the purpose of providing the funds required to provide the special services authorized for Special Service Area Number 15, there shall be and hereby is levied a tax upon all the taxable property, as defined in the Revenue Act of 1939, within Village of Glen Ellyn Special Service Area Number 15, at a rate not to exceed 0.125% of assessed value, as equalized, of said property, but sufficient to produce a tax of \$5,700 for the 2012 tax year. Said tax shall be in addition to all other taxes presently levied by any taxing district against said property within Special Service Area Number 15.

Section 3: Extension of Taxes. Forthwith as soon as this Ordinance becomes effective, the Village Clerk of this Village is hereby directed to file a copy of this Ordinance with the County Clerk of DuPage County, which copy shall be certified to by the Village Clerk and

which certification shall recite that this Ordinance has been passed by the President and Board of Trustees of said Village, and it shall be the duty of said County Clerk, in order to produce the tax hereinbefore levied, to extend the same for collection on the tax books against all of the taxable property within said Special Service Area Number 15 in addition to other taxes levied in said year in said Special Service Area in order to raise the amount levied aforesaid; and such tax shall be computed, extended and collected in the same manner as now or hereafter provided by law for the computation, extension and collection of taxes for statutorily authorized purposes of the Village. When collected, the taxes hereby levied shall be pledged to and shall be used only for the purposes authorized by the corporate authorities of the Village pursuant to Ordinance No. 5826.

Section 4: Effective Date. All ordinances, resolutions and orders, or parts thereof, in conflict herewith, be and the same are hereby repealed; and this Ordinance shall be in full force and effect upon its passage, approval and publication as provided by law.

Passed by the President and Board of Trustees of the Village of Glen Ellyn, Illinois, this ____ day of _____, 2012.

Ayes:

Nays:

Absent:

Approved by the Village President of the Village of Glen Ellyn, Illinois, this ____ day of _____, 2012.

Village President of the
Village of Glen Ellyn, Illinois

Attest:

Village Clerk of the
Village of Glen Ellyn, Illinois

(Published in pamphlet form and posted this _____ day of _____, 2012).



STATE OF ILLINOIS)

COUNTY OF DU PAGE)

I, Mark Pfefferman, do hereby certify that I am the duly qualified and acting Village President of the Village of Glen Ellyn, DuPage County, Illinois.

I do further certify that the provisions of the "Truth in Taxation Act" (Illinois Compiled Statutes, Chapter 35, Sections 200/18-55 et seq.) are **inapplicable** to the Village of Glen Ellyn in connection with its 2012 Tax Levy Ordinance for Special Service Area Number 15 (Ordinance No. _____).

IN WITNESS WHEREOF, I hereunto affix my official signature at Glen Ellyn, Illinois, this _____ day of _____, 2012.

Village President

(SEAL)

Ordinance No. _____

**An Ordinance for the Levy and Assessment of Taxes
for the 2012 Tax Levy Year in the Amount of \$3,000 for
Village of Glen Ellyn Special Service Area Number 16**

Be it Ordained by the President and Board of Trustees of the Village of Glen Ellyn, DuPage County, Illinois, in exercise of its home rule powers as follows:

Section 1: Findings. Village of Glen Ellyn Special Service Area Number 16 was established through the passage of Ordinance No. 5827 entitled “An Ordinance Establishing Special Service Area Number 10 in the Stacy’s Corners Business District of the Village of Glen Ellyn” on November 23, 2010 and its description amended to Special Service Area 16 through the passage of Ordinance No. 5839 entitled “An Ordinance Amending the Description of a Number of Newly Created Glen Ellyn Special Service Areas and Amending the 2010 Tax Levies of Said Special Service Areas” on January 11, 2010.

Section 2: Levy of Tax. For the purpose of providing the funds required to provide the special services authorized for Special Service Area Number 16, there shall be and hereby is levied a tax upon all the taxable property, as defined in the Revenue Act of 1939, within Village of Glen Ellyn Special Service Area Number 16, at a rate not to exceed 0.125% of assessed value, as equalized, of said property, but sufficient to produce a tax of \$3,000 for the 2012 tax year. Said tax shall be in addition to all other taxes presently levied by any taxing district against said property within Special Service Area Number 16.

Section 3: Extension of Taxes. Forthwith as soon as this Ordinance becomes effective, the Village Clerk of this Village is hereby directed to file a copy of this Ordinance with the County Clerk of DuPage County, which copy shall be certified to by the Village Clerk and

which certification shall recite that this Ordinance has been passed by the President and Board of Trustees of said Village, and it shall be the duty of said County Clerk, in order to produce the tax hereinbefore levied, to extend the same for collection on the tax books against all of the taxable property within said Special Service Area Number 16 in addition to other taxes levied in said year in said Special Service Area in order to raise the amount levied aforesaid; and such tax shall be computed, extended and collected in the same manner as now or hereafter provided by law for the computation, extension and collection of taxes for statutorily authorized purposes of the Village. When collected, the taxes hereby levied shall be pledged to and shall be used only for the purposes authorized by the corporate authorities of the Village pursuant to Ordinance No. 5827.

Section 4: Effective Date. All ordinances, resolutions and orders, or parts thereof, in conflict herewith, be and the same are hereby repealed; and this Ordinance shall be in full force and effect upon its passage, approval and publication as provided by law.

Passed by the President and Board of Trustees of the Village of Glen Ellyn, Illinois, this ____ day of _____, 2012.

Ayes:

Nays:

Absent:

Approved by the Village President of the Village of Glen Ellyn, Illinois, this ____ day of _____, 2012.



Village President of the
Village of Glen Ellyn, Illinois

Attest:

Village Clerk of the
Village of Glen Ellyn, Illinois

(Published in pamphlet form and posted this _____ day of _____, 2012).



STATE OF ILLINOIS)

COUNTY OF DU PAGE)

I, Mark Pfefferman, do hereby certify that I am the duly qualified and acting Village President of the Village of Glen Ellyn, DuPage County, Illinois.

I do further certify that the provisions of the "Truth in Taxation Act" (Illinois Compiled Statutes, Chapter 35, Sections 200/18-55 et seq.) are **inapplicable** to the Village of Glen Ellyn in connection with its 2012 Tax Levy Ordinance for Special Service Area Number 16 (Ordinance No. _____).

IN WITNESS WHEREOF, I hereunto affix my official signature at Glen Ellyn, Illinois, this _____ day of _____, 2012.

Village President

(SEAL)

Ordinance No. _____

**An Ordinance for the Levy and Assessment of Taxes
for the 2012 Tax Levy Year in the Amount of \$800 for
Village of Glen Ellyn Special Service Area Number 17**

Be it Ordained by the President and Board of Trustees of the Village of Glen Ellyn, DuPage County, Illinois, in exercise of its home rule powers as follows:

Section 1: Findings. Village of Glen Ellyn Special Service Area Number 17 was established through the passage of Ordinance No. 5828 entitled “An Ordinance Establishing Special Service Area Number 11 in a Portion of the Roosevelt Road Business District of the Village of Glen Ellyn” on November 23, 2010 and its description amended to Special Service Area 17 through the passage of Ordinance No. 5839 entitled “An Ordinance Amending the Description of a Number of Newly Created Glen Ellyn Special Service Areas and Amending the 2010 Tax Levies of Said Special Service Areas” on January 11, 2010.

Section 2: Levy of Tax. For the purpose of providing the funds required to provide the special services authorized for Special Service Area Number 17, there shall be and hereby is levied a tax upon all the taxable property, as defined in the Revenue Act of 1939, within Village of Glen Ellyn Special Service Area Number 17, at a rate not to exceed 0.125% of assessed value, as equalized, of said property, but sufficient to produce a tax of \$800 for the 2012 tax year. Said tax shall be in addition to all other taxes presently levied by any taxing district against said property within Special Service Area Number 17.

Section 3: Extension of Taxes. Forthwith as soon as this Ordinance becomes effective, the Village Clerk of this Village is hereby directed to file a copy of this Ordinance with the County Clerk of DuPage County, which copy shall be certified to by the Village Clerk and

which certification shall recite that this Ordinance has been passed by the President and Board of Trustees of said Village, and it shall be the duty of said County Clerk, in order to produce the tax hereinbefore levied, to extend the same for collection on the tax books against all of the taxable property within said Special Service Area Number 17 in addition to other taxes levied in said year in said Special Service Area in order to raise the amount levied aforesaid; and such tax shall be computed, extended and collected in the same manner as now or hereafter provided by law for the computation, extension and collection of taxes for statutorily authorized purposes of the Village. When collected, the taxes hereby levied shall be pledged to and shall be used only for the purposes authorized by the corporate authorities of the Village pursuant to Ordinance No. 5828.

Section 4: Effective Date. All ordinances, resolutions and orders, or parts thereof, in conflict herewith, be and the same are hereby repealed; and this Ordinance shall be in full force and effect upon its passage, approval and publication as provided by law.

Passed by the President and Board of Trustees of the Village of Glen Ellyn, Illinois, this ____ day of _____, 2012.

Ayes:

Nays:

Absent:

Approved by the Village President of the Village of Glen Ellyn, Illinois, this ____ day of _____, 2012.



Village President of the
Village of Glen Ellyn, Illinois

Attest:

Village Clerk of the
Village of Glen Ellyn, Illinois

(Published in pamphlet form and posted this _____ day of _____, 2012).



STATE OF ILLINOIS)

COUNTY OF DU PAGE)

I, Mark Pfefferman, do hereby certify that I am the duly qualified and acting Village President of the Village of Glen Ellyn, DuPage County, Illinois.

I do further certify that the provisions of the "Truth in Taxation Act" (Illinois Compiled Statutes, Chapter 35, Sections 200/18-55 et seq.) are **inapplicable** to the Village of Glen Ellyn in connection with its 2012 Tax Levy Ordinance for Special Service Area Number 17 (Ordinance No. _____).

IN WITNESS WHEREOF, I hereunto affix my official signature at Glen Ellyn, Illinois, this _____ day of _____, 2012.

Village President

(SEAL)

A-9

MEMORANDUM

TO: Mark Franz, Village Manager
FROM: Kevin Wachtel, Finance Director
DATE: November 28, 2012
RE: 2012 Fire Service Special Service Areas Levies



Background

In 2009 the Village, with the consent of DuPage County, established two special service areas (SSA) in unincorporated areas north and south of the Village limits which are served by the Glen Ellyn Volunteer Fire Company (GEVFC). These SSAs were established to ensure that residents in the unincorporated areas served by the Fire Company paid a proportionate share of total fire and related emergency services costs.

The annual tax levy for these SSAs are based on the proportion of the equalized assessed value (EAV) of properties located within the SSAs relative to the total EAV served by the Fire Company, multiplied by the actual fire services costs for the previously completed fiscal year. These calculations are illustrated on the attached schedule. Proceeds from the SSAs are planned to fund future equipment purchases for the Fire Company, including the costs associated with replacing ambulances.

The north (SSA18) and south (SSA19) SSAs make up 6.84% and 6.04% of the total service area EAV respectively. Based on total audited Village costs and preliminary audit results of GEVFC costs to provide fire services for FY12 of \$1,406,710, the 2012 proposed tax levies for both districts are as follows:

Summary table showing North Fire SSA 18 (\$96,227), South Fire SSA 19 (\$84,902), and Total (\$181,128).

Table with 6 columns: District, 2011 levy, 2011 extension, 2012 levy, Change from 2011 levy, and Change from 2011 extension. Rows include North Fire SSA 18, South Fire SSA 19, and Total.

The total 2012 levy is slightly higher than the 2011 levy due to lower ambulance revenues, but slightly offset by lower spending by the Volunteer Fire Company.

The 2012 tax rate for each area is projected to be in the \$0.08 to \$0.10 range, well below the \$0.25 maximum tax rate allowed by the County ordinance.

Action Requested

Adoption of the attached proposed Fire Service SSA levy ordinances at the December 3, 2012 Village Board meeting.

Attachments

- Pages from the FY2012 Annual Audit showing fire expenditures for the Village
- Report showing the total FY2012 Volunteer Fire Company expenses
- DuPage County final 2011 levy sheets with EAV information for the Village, SSA18 and SSA19
- 2012 Fire SSA Levies Calculation
- SSA 18 2012 Proposed Levy Ordinance
- SSA 19 2012 Proposed Levy Ordinance

VILLAGE OF GLEN ELLYN, ILLINOIS
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended April 30, 2012
(with comparative actual)

	2012		Actual	2011
	Original Budget	Final Budget		Actual
TAXES				
Property taxes - general - current	\$ 3,269,000	\$ 3,269,000	\$ 4,766,011	\$ 3,921,743
Property taxes - road and bridge - current	420,000	420,000	423,622	412,039
Replacement taxes	125,000	125,000	121,851	129,847
Demolition tax	11,000	11,000	12,580	-
Hotel/motel tax	105,000	105,000	124,802	-
Total taxes	3,930,000	3,930,000	5,448,866	4,463,629
LICENSES AND PERMITS				
Franchise fees	460,000	460,000	507,203	-
Vehicle licenses	380,000	380,000	393,268	396,959
Business registration licenses	42,000	42,000	41,160	42,610
Alcoholic beverage licenses	115,000	115,000	124,686	115,970
Animal licenses	6,000	6,000	8,925	9,110
Total licenses and permits	1,003,000	1,003,000	1,075,242	564,649
INTERGOVERNMENTAL				
Sales tax	3,190,000	3,190,000	3,096,834	3,165,844
Home rule sales tax	1,720,000	1,720,000	1,787,569	1,724,753
Local use tax	330,000	330,000	400,635	387,815
Illinois income tax	2,160,000	2,160,000	2,231,988	2,105,022
Auto rental tax	20,000	20,000	18,502	22,103
Federal grants	18,000	18,000	14,444	107,531
State grants	25,000	25,000	15,617	1,980
Total intergovernmental	7,463,000	7,463,000	7,565,589	7,515,048
CHARGES FOR SERVICES				
Accounting - other agencies	129,500	129,500	128,100	128,100
Building/electrical permits	550,000	550,000	467,278	675,787
Contractor registration	42,000	42,000	39,355	42,565
Elevator inspections	12,000	12,000	15,090	15,900
* Ambulance service	675,000	675,000	672,069	831,195
Other revenue	240,000	240,000	231,378	268,021
Police accident reports	3,000	3,000	2,949	3,080
Police fingerprinting	16,000	16,000	4,931	20,105
Police false alarms	5,000	5,000	-	-
Police department income	120,000	120,000	30,846	126,620
Total charges for services	1,792,500	1,792,500	1,591,996	2,111,373
FINES AND FORFEITS				
Traffic fines	300,000	300,000	347,223	267,715
Police fines	200,000	200,000	164,691	182,415
Drug forfeitures	10,000	10,000	15,898	6,534
Total fines and forfeits	510,000	510,000	527,812	456,664
INVESTMENT INCOME				
	20,000	20,000	14,883	14,315
TOTAL REVENUES	\$ 14,718,500	\$ 14,718,500	\$ 16,224,388	\$ 15,125,678

(See independent auditor's report.)

VILLAGE OF GLEN ELLYN, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended April 30, 2012
(with comparative actual)

	2012			2011
	Original Budget	Final Budget	Actual	Actual
PUBLIC SAFETY (Continued)				
Police department (Continued)				
Contractual services				
Insurance	\$ 740,500	\$ 740,500	\$ 777,988	\$ 682,402
Equipment services	367,200	367,200	367,200	361,500
Maintenance - equipment	18,000	18,000	4,381	5,155
Printing	7,000	7,000	9,937	9,912
Professional services - legal	80,000	80,000	78,227	82,230
Professional services - other	20,000	35,000	33,210	8,408
Dues, subscriptions and registration fees	7,500	7,500	15,319	12,404
Counseling services	25,000	25,000	25,000	-
Recruiting and testing	5,000	5,000	2,102	12,183
Employee education	25,000	25,000	31,914	17,972
Scholarship award	1,000	1,000	2,000	1,000
Radio and radar	8,000	8,000	7,079	1,102
Telecommunications	25,000	25,000	19,225	20,421
Drug forfeiture	5,000	5,000	6,525	1,010
Dare program	2,000	2,000	828	706
Seized property	4,000	4,000	6,805	12,258
Travel	5,000	5,000	5,485	2,150
Du-Comm	366,000	366,000	365,480	355,400
General services	15,000	15,000	10,676	8,408
Total contractual services	1,726,200	1,741,200	1,769,381	1,594,621
Commodities				
Office supplies	14,000	14,000	8,583	8,100
Operating supplies	50,000	50,000	23,021	46,801
Uniforms	27,500	27,500	24,057	17,583
Federal drug forfeiture	-	85,000	77,265	16,036
Dog impoundment	7,000	7,000	3,246	4,778
Total commodities	98,500	183,500	136,172	93,298
Capital outlay				
Capital improvements	-	16,000	15,993	-
Civic Center	25,000	57,586	-	117,514
Total capital outlay	25,000	73,586	15,993	117,514
Total police department	7,126,700	7,275,286	7,172,016	6,845,147
Fire and EMS services				
Contractual services				
Du-Comm	115,700	115,700	116,478	114,380
Ambulance service	895,500	895,500	883,693	862,155
Ambulance billing service	33,700	33,700	31,860	33,285
Insurance (all types)	212,400	212,400	212,400	208,700
Equipment services	244,600	244,600	244,600	222,000
Maintenance - building and ground	2,000	2,530	1,796	1,570
Utilities	9,000	9,000	6,524	11,189
Professional services - legal	-	-	-	1,760

(This schedule is continued on the following pages.)

VILLAGE OF GLEN ELLYN, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended April 30, 2012
(with comparative actual)

	2012			2011
	Original Budget	Final Budget	Actual	Actual
PUBLIC SAFETY (Continued)				
Fire and EMS services (Continued)				
Contractual services (Continued)				
Professional services - other	\$ 3,000	\$ 3,000	\$ -	\$ 400
Disconnection taxes	3,000	3,000	2,863	5,725
Volunteer fire company contribution	105,000	105,000	105,000	105,000
Fire inspections	32,000	32,000	20,664	28,080
Telecommunications	8,000	8,000	5,784	5,515
Total contractual services	1,663,900	1,664,430	1,631,662	1,599,759
Commodities				
Operating supplies	5,000	5,000	15,251	10,918
Capital outlay				
Equipment	-	-	-	-
 Total fire and EMS services	1,668,900	1,669,430	1,646,913	1,610,677
Less costs charges to other departments and funds	-	-	-	(12,200)
TOTAL PUBLIC SAFETY	\$ 8,795,600	\$ 8,944,716	\$ 8,818,929	\$ 8,443,624
HIGHWAYS AND STREETS				
Public works administration				
Personnel services				
Salaries - full-time	\$ 528,000	\$ 528,000	\$ 484,354	\$ 511,453
Salaries - part-time	20,500	20,500	20,263	19,331
FICA taxes	43,000	43,000	37,876	39,645
IMRF employer contributions	69,000	69,000	58,271	66,201
Overtime	2,500	2,500	3,213	3,098
Temporary help	11,600	11,600	10,043	8,014
Total personnel services	674,600	674,600	614,020	647,742
Contractual services				
Insurance	84,300	84,300	88,290	62,879
Equipment services	32,500	32,500	32,500	27,200
Maintenance - building and grounds	1,000	1,000	861	3,659
Maintenance - equipment	14,500	14,500	15,065	10,209
Printing	700	700	385	385
Professional services - other	21,000	26,775	20,970	6,341
Dues, subscriptions and registration fees	300	300	139	127
Employee education	5,100	5,100	2,817	1,823
Employee recognition	1,400	1,400	373	836
Travel	1,500	1,500	899	1,168
Telecommunications	6,000	6,000	3,886	5,301
Total contractual services	168,300	174,075	166,185	119,928

(This schedule is continued on the following pages.)

11/28/2012 09:21 | Glen Ellyn Volunteer Fire Department
ccoye | YEAR-TO-DATE BUDGET REPORT

FOR 2012 13

ACCOUNTS FOR: 100 VOLUNTEER FIRE COMPANY	ORIGINAL APPROP	TRANFRS/ ADJSTMTS	REVISED BUDGET	YTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED

100135 FIRE COMPANY							

TOTAL VOLUNTEER FIRE COMPANY	718,000	0	718,000	431,865.85	.00	286,134.15	
TOTAL EXPENSES							

431,865.85

FINAL

2150000
VLG OF GLEN ELLYN

TOWNSHIPS: MILTON
YORK

DUPAGE COUNTY TOTAL

2011 CUR VALUATION

1,312,210,303
11,994,804
1,324,205,107

1,324,205,107*

TAX BURDEN:

RES: 1,172,800,618
FARM: 849 RR: 408,761
COMM: 150,994,879
IND: -----
T-RE: 1,323,796,346 GTOT: 1,324,205,107

LIMITING RATE: *HR* RATE REDUCTION:

LEVY	AMOUNT	PLUS	LIMIT	RATE	EXTD	AMOUNT	RATE	EXTENSION	TAX LIMITATION ACT	DISTRICT ADJUSTMENT
CORPORATE	4,538,469.00	4,583,853.69		.3462		4,584,398.08				
*BOND & INTEREST	1,653,599.50	1,670,135.50		.1262		1,671,146.85				
TOTAL CAP FUNDS	4,538,469.00	4,583,853.69		.3462		4,584,398.08				
*TOTAL NON CAP FUNDS	1,653,599.50	1,670,135.50		.1262		1,671,146.85				
GRAND TOTAL	6,192,068.50	6,253,989.19		.4724		6,255,544.93				

FINAL

2170180
GLN ELLYN SPC SER 18

TOWNSHIPS: MILTON
DUPAGE COUNTY

2011 CUR VALUATION

103,970,139
103,970,139

103,970,139 *

RES: 83,964,314
FARM: 13,015,445
COMM: 6,990,380
IND: 103,970,139
T-RE: 103,970,139

TAX BURDEN:

LIMITING RATE:

RATE REDUCTION:

LEVY	AMOUNT	PLUS	LIMIT	RATE	EXTD	TAXES EXTENDED	TAX LIMITATION ACT	DISTRICT ADJUSTMENT
						AMOUNT	RATE	EXTENSION
SPECIAL SERVICE AREA	94,421.00	95,365.21	.2500	.0918		95,444.59		
TOTAL CAP FUNDS	94,421.00	95,365.21		.0918		95,444.59		
*TOTAL NON CAP FUNDS								
GRAND TOTAL	94,421.00	95,365.21		.0918		95,444.59		

FINAL

2170190
GLN ELLYN SPC SER 19

TOWNSHIPS: MILTON
DUPAGE COUNTY

2011 CUR VALUATION

91,733,596
91,733,596

91,733,596 *

RES: 91,528,972 RR: 91,733,596
FARM: 204,624
COMM: 91,733,596
IND: 91,733,596
T-RE: 91,733,596

LIMITING RATE: RATE REDUCTION:

TAX BURDEN:

LEVY	AMOUNT	PLUS	SPECIAL SERVICE AREA	AMOUNT	RATE	LIMIT	EXTD	EXTD	TAXES EXTENDED	TAX LIMITATION ACT	DISTRICT ADJUSTMENT
	84,627.00		85,473.27	85,495.71	.2500		.0932				
TOTAL CAP FUNDS	84,627.00		85,473.27	85,495.71			.0932				
*TOTAL NON CAP FUNDS											
GRAND TOTAL	84,627.00		85,473.27	85,495.71			.0932				

Village of Glen Ellyn
North and South Fire SSA Taxing Districts
2012 SSA Tax Levy Calculation

<u>Total Cost of Fire Services, FYE April 30, 2012*</u>	<u>2012 LEVY</u>	<u>2011 LEVY</u>	<u>Change from Prior Year</u>	<u>2011 Extension</u>	<u>Change from 2011 extension</u>
Village Expenditures*	\$ 1,646,913	\$ 1,610,677			
Less Ambulance Billing Collections*	(672,069)	(831,195)			
Net Village Expenditures	974,844	779,482	25.1%		
Volunteer Fire Company Expenses**	431,866	609,863	-29.2%		
Total Net Fire Service Cost	<u>\$ 1,406,710</u>	<u>\$ 1,389,345</u>	1.2%		
<u>Allocation of Area Served by EAV</u>					
2011 Village Equalized Assessed Value	\$ 1,324,205,107	\$ 1,432,936,963	-7.6%		
2011 North Fire SSA (18) Equalized Assessed Value	103,970,139	111,790,623	-7.0%		
2011 South Fire SSA (19) Equalized Assessed Value	91,733,596	100,194,759	-8.4%		
	<u>\$ 1,519,908,842</u>	<u>\$ 1,644,922,345</u>	-7.6%		
<u>Allocation of Fire Services Costs</u>					
Village	\$ 1,225,582	\$ 1,210,297	1.3%		
North Fire SSA (18)	96,227	94,421	1.9%		
South Fire SSA (19)	84,902	84,627	0.3%		
	<u>\$ 1,406,710</u>	<u>\$ 1,389,345</u>			
<u>2012 Fire SSA Tax Levies</u>					
North Fire SSA (18)	\$ 96,227	\$ 94,421	1.9%	\$ 95,445	0.8%
South Fire SSA (19)	84,902	84,627	0.3%	85,496	-0.7%
Projected FY13/14 Revenues	<u>181,128</u>	<u>179,048</u>	1.2%	<u>180,940</u>	0.1%

Source for 2012 levy:
* Audited Village financial statements.
** Preliminary unaudit financial reports.

Ordinance No. _____

**An Ordinance for the Levy and Assessment of Taxes
for the 2012 Tax Levy Year in the Amount of \$96,227 for
Glen Ellyn Special Service Area Number 18**

Whereas, the Board of Trustees of the Village of Glen Ellyn, County of DuPage and the State of Illinois, pursuant to the Special Service Area Tax Law (35 ILCS 200/27 et seq. (the “Act”)), adopted Ordinance No. 5787 on August 10, 2009, proposing the establishment of a special service area (“SSA”) in an area of the Village, including unincorporated areas served by the Glen Ellyn Volunteer Fire Company, generally to the north of the Village limits, for the purpose of providing fire protection and related emergency services and levying a tax to be extended on the real property located within the proposed SSA to pay for said services, and setting a public hearing on the matter for August 24, 2009, and providing for notice of said public hearing; and

Whereas, a public hearing was convened before the corporate authorities on August 24, 2009, and continued to September 14, 2009, at which all interested persons were heard orally in respect to the issues embodied in the notice, and said public hearing being adjourned on September 14, 2009; and

Whereas, within sixty days following the conclusion of the public hearing, petitions objecting to the establishment of the SSA were submitted to the Village Clerk, and which were subsequently determined by the corporate authorities to be insufficient to prevent the establishment of the SSA; and

Whereas, on November 23, 2009, the Board of Trustees of the Village of Glen Ellyn adopted Ordinance No. 5822, “An Ordinance Establishing the North Glen Ellyn Fire Protection Special Service Area”, hereafter known as Glen Ellyn Special Service Area No. 18;

Now, therefore be it ordained by the President and Board of Trustees of the Village of Glen Ellyn, DuPage County, Illinois, in the exercise of its home rule powers as follows:

Section 1: Findings. Glen Ellyn Special Service Area No. 18 was established through Village Ordinance No. 5822 entitled “An Ordinance Establishing the North Glen Ellyn Fire Protection Special Service Area” adopted on November 23, 2009, and effective from and after its passage and publication in the manner provided by law. Said Special Service Area consists of the territory described in the Ordinance aforesaid.

Section 2: Levy of Tax. For the purpose of providing the funds required to provide the special services authorized for Glen Ellyn Special Service Area No. 18, there shall be and hereby is levied a tax upon all the taxable real property, as defined in the Revenue Act of 1939, within Glen Ellyn Special Service Area No. 18, at a rate not to exceed \$0.25 per \$100 of equalized assessed valuation of said property, but sufficient to produce a tax of \$96,227 for the 2012 tax year. Said tax shall be in addition to all other taxes presently levied by any taxing district against said property within the Glen Ellyn Special Service Area No. 18.

Section 3: Extension of Taxes. Forthwith as soon as this Ordinance becomes effective, the Village Clerk of this Village is hereby directed to file a copy of this Ordinance with the County Clerk of DuPage County, which copy shall be certified to by the Village Clerk and which certification shall recite that this Ordinance has been passed by the President and Board of Trustees of said Village, and it shall be the duty of said County Clerk, in order to produce the tax

hereinbefore levied, to extend the same for collection on the tax books against all of the taxable property within said Glen Ellyn Special Service Area No. 18 in addition to other taxes levied in said year in said Special Service Area in order to raise the amount levied aforesaid; and such tax shall be computed, extended and collected in the same manner as now or hereafter provided by law for the computation, extension and collection of taxes for statutorily authorized purposes of the Village. When collected, the taxes hereby levied shall be pledged to and shall be used only for the purposes authorized by the corporate authorities of the Village pursuant to Ordinance No. 5822.

Section 4: Effective Date. All ordinances, resolutions and orders, or parts thereof, in conflict herewith, be and the same are hereby repealed; and this Ordinance shall be in full force and effect upon its passage, approval and publication as provided by law.

Passed by the Village President and Board of Trustees of the Village of Glen Ellyn, Illinois, this _____ day of _____, 2012.

Ayes:

Nays:

Absent:

Approved by the Village President of the Village of Glen Ellyn, Illinois, this _____ day of _____, 2012.

Village President of the
Village of Glen Ellyn, Illinois

Attest:

Village Clerk of the
Village of Glen Ellyn, Illinois

(Published in pamphlet form and posted this _____ day of _____, 2012).



STATE OF ILLINOIS)

COUNTY OF DU PAGE)

I, Mark Pfefferman, do hereby certify that I am the duly qualified and acting Village President of the Village of Glen Ellyn, DuPage County, Illinois.

I do further certify that the provisions of the "Truth in Taxation Act" (Illinois Compiled Statutes, Chapter 35, Sections 200/18-55 et seq.) are **inapplicable** to the Village of Glen Ellyn in connection with its 2012 Tax Levy Ordinance for the Glen Ellyn Special Service Area No. 18 (Ordinance No. _____).

IN WITNESS WHEREOF, I hereunto affix my official signature at Glen Ellyn, Illinois, this _____ day of _____, 2012.

Village President

(SEAL)

Ordinance No. _____

**An Ordinance for the Levy and Assessment of Taxes
for the 2012 Tax Levy Year in the Amount of \$84,902 for
Glen Ellyn Special Service Area Number 19**

Whereas, the Board of Trustees of the Village of Glen Ellyn, County of DuPage and the State of Illinois, pursuant to the Special Service Area Tax Law (35 ILCS 200/27 et seq. (the “Act”)), adopted Ordinance No. 5788 on August 10, 2009, proposing the establishment of a special service area (“SSA”) in an area of the Village, including unincorporated areas served by the Glen Ellyn Volunteer Fire Company, generally to the south of the Village limits, for the purpose of providing fire protection and related emergency services and levying a tax to be extended on the real property located within the proposed SSA to pay for said services, and setting a public hearing on the matter for August 24, 2009, and providing for notice of said public hearing; and

Whereas, a public hearing was convened before the corporate authorities on August 24, 2009, and continued to September 14, 2009, at which all interested persons were heard orally in respect to the issues embodied in the notice, and said public hearing being adjourned on September 14, 2009; and

Whereas, within sixty days following the conclusion of the public hearing, no petitions objecting to the establishment of the SSA were submitted to the Village Clerk; and

Whereas, on November 23, 2009, the Board of Trustees of the Village of Glen Ellyn adopted Ordinance No. 5823, “An Ordinance Establishing the South Glen Ellyn Fire Protection Special Service Area”, hereafter known as Glen Ellyn Special Service Area No. 19;

Now, therefore be it ordained by the President and Board of Trustees of the Village of Glen Ellyn, DuPage County, Illinois, in the exercise of its home rule powers as follows:

Section 1: Findings. Glen Ellyn Special Service Area No. 19 was established through Village Ordinance No. 5823 entitled "An Ordinance Establishing the South Glen Ellyn Fire Protection Special Service Area" adopted on November 23, 2009, and effective from and after its passage and publication in the manner provided by law. Said Special Service Area consists of the territory described in the Ordinance aforesaid.

Section 2: Levy of Tax. For the purpose of providing the funds required to provide the special services authorized for the Glen Ellyn Special Service Area No. 19, there shall be and hereby is levied a tax upon all the taxable real property, as defined in the Revenue Act of 1939, within Glen Ellyn Fire Special Service Area No. 19, at a rate not to exceed \$0.25 per \$100 of equalized assessed valuation of said property, but sufficient to produce a tax of \$84,902 for the 2012 tax year. Said tax shall be in addition to all other taxes presently levied by any taxing district against said property within Glen Ellyn Special Service Area No. 19.

Section 3: Extension of Taxes. Forthwith as soon as this Ordinance becomes effective, the Village Clerk of this Village is hereby directed to file a copy of this Ordinance with the County Clerk of DuPage County, which copy shall be certified to by the Village Clerk and which certification shall recite that this Ordinance has been passed by the President and Board of Trustees of said Village, and it shall be the duty of said County Clerk, in order to produce the tax hereinbefore levied, to extend the same for collection on the tax books against all of the taxable property within said Glen Ellyn Special Service Area No. 19 in addition to other taxes levied in said year in said Special Service Area in order to raise the amount levied aforesaid; and such tax shall be computed,

extended and collected in the same manner as now or hereafter provided by law for the computation, extension and collection of taxes for statutorily authorized purposes of the Village. When collected, the taxes hereby levied shall be pledged to and shall be used only for the purposes authorized by the corporate authorities of the Village pursuant to Ordinance No. 5823.

Section 4: Effective Date. All ordinances, resolutions and orders, or parts thereof, in conflict herewith, be and the same are hereby repealed; and this Ordinance shall be in full force and effect upon its passage, approval and publication as provided by law.

Passed by the Village President and Board of Trustees of the Village of Glen Ellyn, Illinois, this _____ day of _____, 2012.

Ayes:

Nays:

Absent:

Approved by the Village President of the Village of Glen Ellyn, Illinois, this _____ day of _____, 2012.

Village President of the
Village of Glen Ellyn, Illinois

Attest:

Village Clerk of the
Village of Glen Ellyn, Illinois

(Published in pamphlet form and posted this _____ day of _____, 2012).



STATE OF ILLINOIS)

COUNTY OF DU PAGE)

I, Mark Pfefferman, do hereby certify that I am the duly qualified and acting Village President of the Village of Glen Ellyn, DuPage County, Illinois.

I do further certify that the provisions of the "Truth in Taxation Act" (Illinois Compiled Statutes, Chapter 35, Sections 200/18-55 et seq.) are **inapplicable** to the Village of Glen Ellyn in connection with its 2012 Tax Levy Ordinance for the Glen Ellyn Special Service Area No. 19 (Ordinance No. _____).

IN WITNESS WHEREOF, I hereunto affix my official signature at Glen Ellyn, Illinois, this _____ day of _____, 2012.

Village President

(SEAL)

A-10

MEMORANDUM

TO: Mark Franz, Village Manager
FROM: Kevin Wachtel, Finance Director YW
DATE: November 29, 2012
RE: Water and sewer rate adjustments, January 1, 2013 and beyond



Background

In October, 2011, the City of Chicago announced that water rates would be dramatically increased for four years, beginning January 1, 2012. By 2015, the price of Chicago water will increase 90% from 2011 rates. In turn, the DuPage Water Commission (DWC) increased its rates. Our water commodity costs will increase 115% from 2011 to 2015.

The Village closely examined this issue to be sure the water/sewer fund remained in a solid financial position. The cash reserve policy was revised to \$2,000,000 (adjusted to CPI-U or 3%, whichever is less), and determined that an appropriate rate increase was 9.5%. It was discussed that the Village would need to increase rates by 9.5% in 2013, 2014, and 2015, but would re-examine rates, in conjunction with updating our long term capital plan.

Issues

There were a few primary drivers when contemplating future rates. We need to maintain the overall financial health of the fund. In addition, we need to position the rates so they are appropriately matched for projected expenses in order to avoid future large rate increases. We also considered the impact of matching the water and sewer rates. Finally, we have incorporated the updated capital investment plan into the rate structure.

Capital plan

In recent weeks, management presented an updated capital improvement plan at a Village Board meeting. That included an updated water and sewer capital spending plan. With the updated plan, we are better able to provide a long term funding strategy for our water and sewer capital needs.

The funding strategy that is included in this rate analysis is an annual contribution towards capital investment. Using this methodology, we should annually contribute 10% of the 10 year capital spending plan. Essentially, we must maintain an operational surplus greater than the required annual contribution, which then is saved in the cash reserves to be used to fund future capital projects. Over 10 years, we will have contributed enough dollars to fund the entire capital need for that period. The amount of the capital contribution should be periodically reviewed, and this analysis includes an annual 1% escalator to account for future projects that may occur after the current 10 year window.

With this methodology, we should begin contributing \$1,595,000 for water capital (10% of \$15,950,000) and \$1,554,500 for sewer capital (10% of \$15,545,000) going forward.

Rate structure

Last year, management recommended that we match the water and sewer rates for two primary reasons. First, it would be simpler to communicate to our customers. Second, our sewer operations had spent more than it had taken in for the past several years, while the water operations had taken in more than it had spent. This was a way to bring both components closer into balance. Over the summer, a common complaint was that the rates were the same during periods of high lawn sprinkling usage. More importantly, our analysis shows that, with the large cost increases in our water commodity, we will not be able to keep water and sewer rates the same. It will be necessary to bifurcate the rates and determine what is needed based on the costs to operate each component. The table below provides a comparison between the two alternatives and the next section explains the pros and cons of the options.

Bifurcated						
	Current	2013	2014	2015	2016	2017
Water	\$6.42	\$7.41	\$8.50	\$9.75	\$10.21	\$10.63
Sewer	\$6.42	\$6.65	\$6.90	\$7.11	\$7.15	\$7.25
Total	\$12.84	\$14.06	\$15.40	\$16.86	\$17.36	\$17.88
Percent change		9.5%	9.5%	9.5%	3.0%	3.0%

9.5% annual increases						
	Current	2013	2014	2015	2016	2017
Water	\$6.42	\$7.03	\$7.70	\$8.43	\$8.68	\$8.94
Sewer	\$6.42	\$7.03	\$7.70	\$8.43	\$8.68	\$8.94
Total	\$12.84	\$14.06	\$15.40	\$16.86	\$17.36	\$17.88
Percent change		9.5%	9.5%	9.5%	3.0%	3.0%

Cash reserves and financial health

Both models provide for sufficient revenue to cover projected expenses over the 5 years. Over the five years, both result in cash reserves over the policy requirement (projected using 3% annual increases). In the 9.5% model, the sewer division continues to collect more than its expenditures, while the water division has growing deficits, primarily due to the water cost increases. Also, the 9.5% model projects a small fund surplus in FY16/17, while the Bifurcated model projects a deficit of \$37,500.

Bifurcated model	FY2012/13	FY2013/14	FY2014/15	FY2015/16	FY2016/17
Water division gain/(loss)*	\$1,233,596	(\$444,500)	(\$256,500)	(\$104,500)	(\$105,500)
Sewer division gain/(loss)*	2,345,757	361,500	324,000	205,000	18,000
Operating surplus (deficit)	3,751,353	3,116,500	3,298,500	3,363,500	3,207,500
Fund surplus (deficit)*	-	(33,000)	117,500	150,500	(37,500)
End of year cash reserves	3,415,000	2,056,500	2,160,000	2,788,500	2,806,000
Cash reserves over/(under) policy	1,355,000	(65,500)	(26,000)	536,500	486,000

9.5% increases	FY2012/13	FY2013/14	FY2014/15	FY2015/16	FY2016/17
Water division gain/(loss)*	\$1,132,017	(\$845,500)	(\$999,500)	(\$1,159,500)	(\$1,289,500)
Sewer division gain/(loss)*	2,443,368	773,500	1,100,000	1,295,000	1,242,000
Operating surplus (deficit)	3,747,385	3,127,500	3,331,500	3,398,500	3,247,500
Fund surplus (deficit)*	-	(22,000)	150,500	185,500	2,500
End of year cash reserves	3,411,000	2,063,500	2,200,000	2,863,500	2,921,000
Cash reserves over/(under) policy	1,351,000	(58,500)	14,000	611,500	601,000

*Applying the capital contribution formula previously discussed

For this analysis, we look at the financial health of the fund over a five year horizon. Our goals are to have the fund in a positive cash reserve position relative to the policy, and to ensure that the current year's operations (plus contribution to capital) is adequately funded at the end of the model.

One year or multi-year rates?

Due to the large known rate increases from the DuPage Water Commission, we may wish to consider adopting rates to be effective for more than one year. There will be three more sizeable DWC rate increases (January 1, 2013, 2014 and 2015). We may wish to consider adopting an ordinance now that sets the rates for 2013, 2014 and 2015.

Community comparison

The City of Wheaton recently conducted a rate study (see attached). As part of that report, their consultants provided a comparison of water rates for various communities, including Glen Ellyn. We have used the data that they provided and compared the total cost that a resident would pay (for water service only). We find that Glen Ellyn's cost for water ranks 6th lowest of 8 in the survey. If we were to increase our rate by 15%, we would jump to 3rd. However, this does not contemplate other communities also increasing their rates as of January 1, 2013.

Recommendation

Management recommends that we adopt the bifurcated rate model, with increases effective January 1, 2013, 2014 and 2015.

	January 1, 2013	January 1, 2014	January 1, 2015
Water	\$7.41	\$8.50	\$9.75
Sewer	\$6.65	\$6.90	\$7.11

Action Requested

Provide direction to management on a rate adjustment to be effective January 1, 2013. An appropriate ordinance will be prepared for consideration at the Board's December 10, 2012 meeting.

Attachments

- Comparison of Bifurcated model and 9.5% increase model
- Dollar chart – water rate
- Dollar chart – sewer rate
- Community comparison – from City of Wheaton study report
- Community comparison graph
- 10 year capital spending plan

Comparison of alternatives

Bifurcated Model

	1/1/2012	1/1/2013	1/1/2014	1/1/2015	1/1/2016	1/1/2017
Resident Water Rate	\$ 6.42	\$ 7.41	\$ 8.50	\$ 9.75	\$ 10.21	\$ 10.63
Percent Change	1.3%	15%	15%	15%	5%	4%
Resident Sewer Rate	\$ 6.42	\$ 6.65	\$ 6.90	\$ 7.11	\$ 7.15	\$ 7.25
Percent Change	19.1%	4%	4%	3%	1%	1%
Total resident rate	12.84	14.06	15.40	16.86	17.36	17.88
Percent Change	9.5%	9.5%	9.5%	9.5%	3.0%	3.0%
Water Division Gain/(Loss)	FY2011/12	FY2012/13	FY2013/14	FY2014/15	FY2015/16	FY2016/17
Water Division Gain/(Loss) (using capital cont.)	1,000,943	(226,404)	(999,500)	(500,500)	382,500	(347,500)
Sewer Division Gain/(Loss)	1,728,778	1,233,596	(444,500)	(256,500)	(104,500)	(105,500)
Operating surplus (deficit)	993,140	685,757	(359,000)	604,000	246,000	365,000
Operating surplus, less capital contribution	1,552,450	2,345,757	361,500	324,000	205,000	18,000
End of year cash reserves	3,324,459	3,751,353	3,116,500	3,298,500	3,363,500	3,207,500
Cash Reserves Over/(Under) Min	2,955,521	3,415,000	(2,056,500)	2,160,000	2,788,500	2,806,000
	955,521	1,355,000	(65,500)	(26,000)	536,500	486,000

9.5% increases model

	1/1/2012	1/1/2013	1/1/2014	1/1/2015	1/1/2016	1/1/2017
Resident Water Rate	\$ 6.42	\$ 7.03	\$ 7.70	\$ 8.43	\$ 8.68	\$ 8.94
Percent Change	1.3%	9.5%	9.5%	9.5%	3.0%	3.0%
Resident Sewer Rate	\$ 6.42	\$ 7.03	\$ 7.70	\$ 8.43	\$ 8.68	\$ 8.94
Percent Change	19.1%	9.5%	9.5%	9.5%	3.0%	3.0%
Total resident rate	12.84	14.06	15.40	16.86	17.36	17.88
Percent Change	9.5%	9.5%	9.5%	9.5%	3.0%	3.0%
Water Division Gain/(Loss)	FY2011/12	FY2012/13	FY2013/14	FY2014/15	FY2015/16	FY2016/17
Water Division Gain/(Loss) (using capital cont.)	1,000,943	(327,983)	(1,400,500)	(1,243,500)	(672,500)	(1,531,500)
Sewer Division Gain/(Loss)	1,728,778	1,132,017	(845,500)	(999,500)	(1,159,500)	(1,289,500)
Operating surplus (deficit)	993,140	783,368	53,000	1,380,000	1,336,000	1,589,000
Operating surplus, less capital contribution	1,552,450	2,443,368	773,500	1,100,000	1,295,000	1,242,000
End of year cash reserves	3,324,459	3,747,385	3,127,500	3,331,500	3,398,500	3,247,500
Cash Reserves Over/(Under) Min	2,955,521	3,411,000	(2,063,500)	2,200,000	2,863,500	2,921,000
	955,521	1,351,000	(58,500)	14,000	611,500	601,000

Note: Water and sewer division information includes non-operating activity, such as equipment and SSA

Breakdown of proposed water rate

DuPage Water
Commission
47¢

Infrastructure
Replacement
30¢

Contractual
15¢

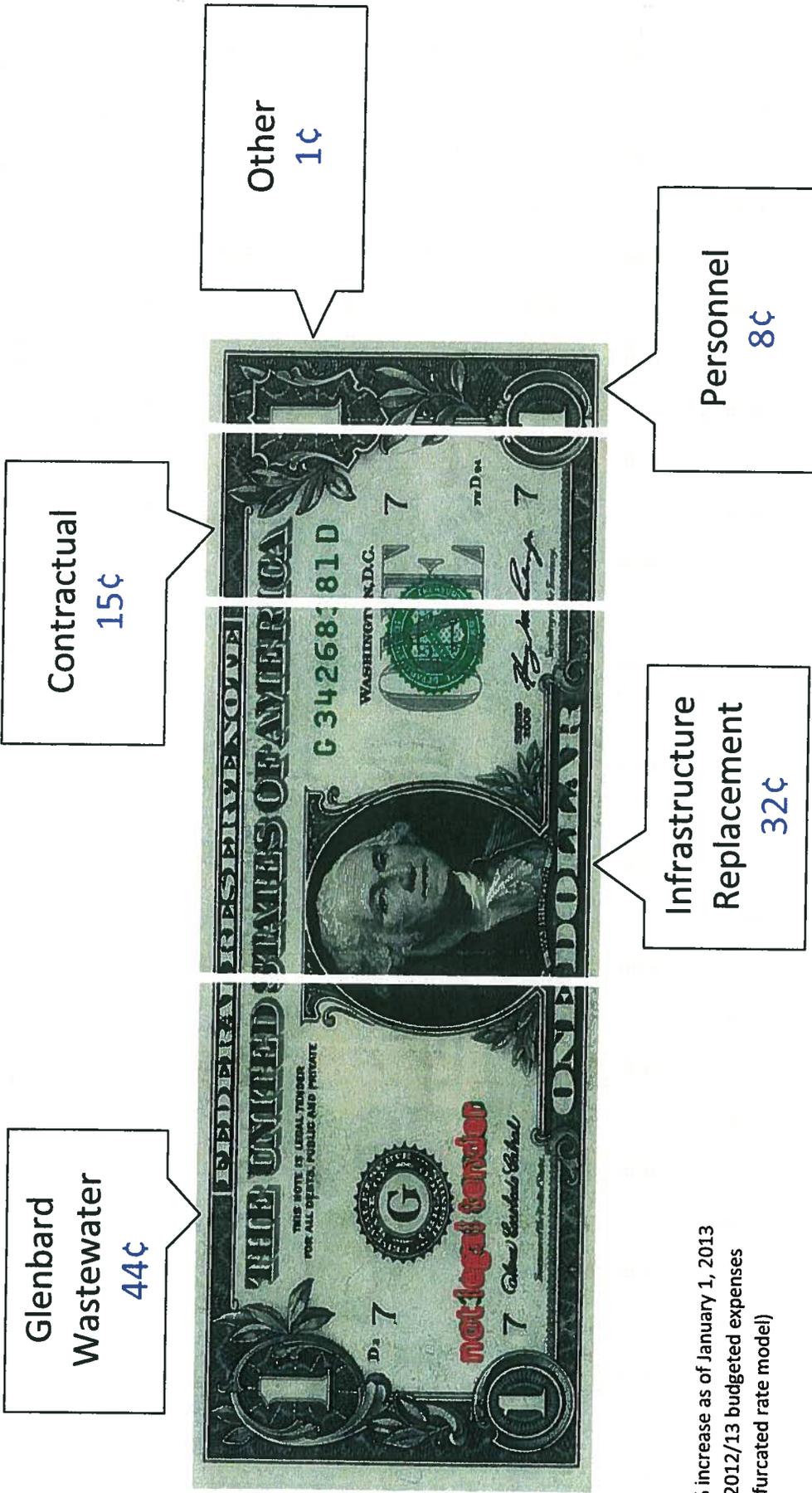


Other
1¢

Personnel
8¢

15% increase as of January 1, 2013
FY2012/13 budgeted expenses
(Bifurcated rate model)

Breakdown of proposed sewer rate



4% increase as of January 1, 2013
FY2012/13 budgeted expenses
(Bifurcated rate model)

Wheaton comparison

From City of Wheaton Rate Study Report				Calculated comparisons, 6,000 gallons per month					
Municipality	Billing Frequency	Rate Structure	Current Rates	Rate per 100 cf	Rate per 1,000 gallons	Usage cost for 6 units	Fixed fee for 6 units	Total usage bill for 6,000 gallons	Rank
Village of Downers Grove	Bi-monthly	Fixed Fee by Meter Size and Uniform Usage Rate	Fixed Fee - 3/4" - \$9.31 (incremental by meter size) Usage Rate - \$4.13 per 100 c.f.	\$ 4.13	\$ 5.53	\$ 33.18	\$ 9.31	\$ 42.49	5
Village of Glen Ellyn	Monthly	Uniform Usage Rate	Min. Charge (includes 267 c.f.) - \$12.84 Usage Rate - \$4.80 per 100 c.f.*	\$ 4.80	\$ 6.43	\$ 38.58	\$ -	\$ 38.58	6
Glen Ellyn with 15% increase	Monthly	Uniform Usage Rate	\$ 5.52	\$ 5.52	\$ 7.41	\$ 44.46	\$ -	\$ 44.46	3
City of Naperville	Monthly	Fixed Fee by Meter Size and Uniform Usage Rate	Fixed Fee - 3/4" - \$5.05 (incremental by meter size) Usage Rate - \$4.08 per 100 c.f.	\$ 4.08	\$ 5.46	\$ 32.76	\$ 5.05	\$ 37.81	7
Village of Lombard	Bi-monthly	Flat Fee Per Account and Uniform Usage Rate	Flat Fee - \$8.00 Usage Rate - \$4.32 per 100 c.f.*	\$ 4.32	\$ 5.78	\$ 34.68	\$ 8.00	\$ 42.68	4
Village of Woodridge	Bi-Monthly	Fixed Fee by Meter Size and Uniform Usage Rate	Fixed Fee - 3/4" - \$19.44 Usage Rate - \$3.98 per 100 c.f.*	\$ 3.98	\$ 5.33	\$ 31.98	\$ 19.44	\$ 51.42	2
Village of Hinsdale	Bi -Monthly	Uniform Usage Rate with Minimum	Min. Charge (includes 300 c.f.) - \$22.00 Usage Rate - \$6.59 per 100 c.f.	\$ 6.59	\$ 8.82	\$ 52.92	\$ -	\$ 52.92	1
Village of Carol Stream	Monthly	Uniform Usage Rate	Usage Rate - \$3.58 per 100 c.f.*	\$ 3.58	\$ 4.79	\$ 28.74	\$ -	\$ 28.74	9
City of Wheaton Alternative 2A	Monthly	Fixed Fee by Meter Size and Uniform Usage Rate	Fixed Fee - 3/4" - \$5.86 (incremental by meter size) Usage Rate - \$3.81 per 100 c.f.	\$ 3.81	\$ 5.10	\$ 30.60	\$ 5.86	\$ 36.46	8

Estimated monthly water bill per community

resident rate, 3/4" meter, 6,000 gallons per month
water commodity only

