

*City Council*  
**COMMITTEE OF THE WHOLE**  
*City of Belvidere, Illinois*

Alderman Clayton Stevens	Vice Chairman Public Works
Alderman Tom Porter	Chairman Building, Planning & Zoning
Alderman Daniel Snow	Co-Chairman City-County
Open Seat	Vice Chairman Finance and Personnel
Alderman Wendy Frank	Vice Co-Chairman City-County
Alderman Thomas Ratcliffe	Chairman Finance and Personnel
Alderman George Crawford	Chairman Public Safety
Alderman Mike McGee	Vice Chairman Building, Planning & Zoning
Alderman Marsha Freeman	Chairman Public Works
Alderman Ric Brereton	Vice Chairman Public Safety

**AGENDA**

**November 25, 2019**

**6:00 p.m.**

**City Council Chambers**

**401 Whitney Boulevard, Belvidere, Illinois**

Call to Order – Mayor Mike Chamberlain:

Roll Call: Present: Absent:

Public Comment:

Public Forum:

Reports of Officers, Boards, and Special Committees:

1. Public Safety, Unfinished Business: None.
2. Public Safety, New Business:
  - (A) K-9 Recognition.
  - (B) Perryville Pet Hospital Donation.
3. Finance & Personnel, Unfinished Business: None.

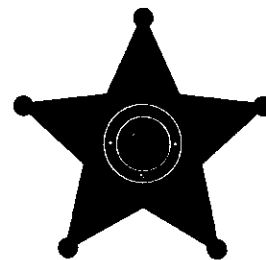
4. Finance & Personnel, New Business:
  - (A) Tax Levy Request from Belvidere Fire Pension Fund.
  - (B) Tax Levy Request from Belvidere Police Pension Fund.
  
5. Other:
  - (A) Cannabis General Overview.
  
6. Adjournment:

# Belvidere Police Department

Shane Woody - Chief of Police

Matthew Wallace - Deputy Chief, Investigations

Patrick Gardner - Deputy Chief, Patrol



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615 N. Main Street • Belvidere, IL 61008 • Phone 815-544-9626 • Fax 815-544-9603 • www.ci.belvidere.il.us

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**TO: Mayor Chamberlain and City Council**

**FROM: Chief Shane Woody**

**DATE: November 25, 2019**

**RE: Donation to K-9 Program**

Perryville Pet Hospital recently conducted a “Bark at the Park” fundraiser and has donated \$2,700.00 from this event to the Belvidere Police Department.

We are requesting approval to accept this donation and use this money to purchase needed K9 equipment as shown below:

- |   |                  |
|---|------------------|
| • Kimono Police & Military K9 Bite Suit | \$1,555.00       |
| • 2 – Ballistic K9 Vests                | \$ 940.00        |
| • 2 - K9 Training Trackers              | <u>\$ 144.00</u> |
|   | \$2,639.00       |

The K9 Bite Suit would provide a safe way to train the dogs to target body areas (forearm, biceps, calves, hamstrings etc.) properly. This Bite Suit would equip the decoy with equipment that is current to the best police practices for K9 training.

The Ballistic K9 Vests would provide the K9 Units with protection when responding to incidents and while patrolling the City of Belvidere.

The K9 Training Tracker web-based data entry system would provide the Department with the ability to track reports, training and usage of the K9 Units within the City of Belvidere.

**Motion: To accept the \$2,700.00 donation from Perryville Pet Hospital and use these funds for the purchase of:**

- **Kimono Police & Military K9 Bite Suit at a cost of \$1,555.00**
- **2 Ballistic K-9 Vests at a cost of \$940**
- **2 K-9 Training Trackers at a cost of \$144.00**

SW/sd

## Executive summary

- The purpose of this proposal is for purchase of equipment for the K-9 Unit. (training and the documentation of training).
- Equipment requested in this proposal is K9track.com . (see attached).
- The web based data entry allowing K9 units to track reports, training and usages of the K9 unit within the City of Belvidere.
- A training schedule may be completed and submitted to the K9 units. Upon completing the training a report will be submitted back to the administrator to ensure that training has been completed.

## Background

- **Current equipment:**
  - Equipment software is not user friendly.
  - The current K9 unit supervisor needs to log in to several servers to review training records.
- **Equipment needed to complete the project.**
  - Two (2) K9track.com license for the year. .
  - This is long-term solution to safely ensure the training of K9 units within the City of Belvidere meets the most current and best police practices
- **K9 unit performance.**
  - Training can be monitored on a daily basis to ensure quality of the training standards

## Ideal outcome

- Outfit the K9 unit with the K9Track system.

## Donations Received

Name	Action	Estimated Hours	Raised
Perryville Pets	Fundraiser	Bark at the park	\$2,700.00

## Budget

Unit	Requested	Description	Part number	Costs
K-9	1	Demanet	Kimono Police & Military K9 Bite Suit	\$1,555.00
K-9	2	K9-vest Blk	K9-vest Blk – L/XL level IIIA	\$940.00
K-9	2	K9track training tracker		\$144.00
			Total	\$2,639.00
Perryville Pets	Donation			(\$2,700)
		Total Cost		\$0



**CITY OF BELVIDERE  
FIRE PENSION FUND**

**P.O. Box 977  
Belvidere, IL 61008**

**President: Shawn Schadle  
sschadle@belviderefire.com**

**Secretary: Chris Letourneau  
cletourneau@belviderefire.com**

November 20, 2019

**Mayor Michael Chamberlain and Members of the City Council City of Belvidere  
401 Whitney Blvd  
Belvidere, Illinois 61008**

**RE: 2019 Tax Levy Request from the Belvidere Fire Pension Fund**

Dear Mayor Chamberlain and Members of the City Council:

The Board of Trustees of the Belvidere Fire Pension Fund Board recently reviewed the actuarial report for the Contribution Year May 1, 2019 to April 30, 2020, prepared by Lauterbach & Amen, LLP for purposes of the next City tax levy. The Board request that the City Council levy the suggested actuarial amount of \$1,154,940 on behalf of the Belvidere Fire Pension Fund. This contribution amount is assuming an investment return on the fund of 7.0% annually and was calculated under the entry age normal actuarial methods with the goal of the plan being 100% funded by year 2040.

Note the following highlights from the actuarial study:

- The percent funded has decreased from 58.66% to 58.56%.
- The recommended contribution has increased \$51,664 from the prior year.
- The Investment Return on Assets net of fees for the period was 6.4%.
- Net income received from the investment of assets was \$1,033,752.

The Board wants to thank City Administration for your commitment to fund the trust based on the actuarial assessment done by Lauterbach and Amen. Attached please find The Belvidere Firefighters' Pension fund Actuarial Valuation as of May 1, 2019.

Sincerely,

Shawn Schadle

\_\_\_\_\_  
President-Belvidere Firefighters Pension Trust Fund

THE CITY OF BELVIDERE, ILLINOIS  
FIREFIGHTERS' PENSION FUND

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PUBLIC ACT 95-0950  
MUNICIPAL COMPLIANCE REPORT

FOR THE FISCAL YEAR ENDED  
APRIL 30, 2019



Lauterbach & Amen, LLP

CERTIFIED PUBLIC ACCOUNTANTS

668 NORTH RIVER RD. • NAPERVILLE, ILLINOIS 60563

PHONE 630.393.1483 • FAX 630.393.2516  
www.lauterbachamen.com

September 26, 2019

Members of the Pension Board of Trustees  
Belvidere Firefighters' Pension Fund  
Belvidere, Illinois

Enclosed please find a copy of your Municipal Compliance Report for the Belvidere Firefighters' Pension Fund for the fiscal year ended April 30, 2019. We have prepared the report with the most recent information available at our office. Should you have more current information, or notice any inaccuracies, we are prepared to make any necessary revisions and return them to you.

The President and Secretary of the Pension Fund are required to sign the report on page 3. If not already included with the enclosed report, please also include a copy of the Pension Fund's most recent investment policy.

The signed Public Act 95-0950 - Municipal Compliance Report must be provided to the Municipality before the tax levy is filed on the last Tuesday in December. We are sending the report via email to promote an environmentally-friendly work atmosphere.

If you have any questions regarding this report, please contact your Client Manager or PSA.

Respectfully submitted,

*Lauterbach & Amen, LLP*

LAUTERBACH & AMEN, LLP

**THE CITY OF BELVIDERE, ILLINOIS  
FIREFIGHTERS' PENSION FUND**

**Public Act 95-950 - Municipal Compliance Report  
For the Fiscal Year Ending April 30, 2019**

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

- 1) The total cash and investments, including accrued interest, of the fund at market value and the total net position of the Pension Fund:

	<u>Current Fiscal Year</u>	<u>Preceding Fiscal Year</u>
Total Cash and Investments (including accrued interest)	<u>\$16,469,651</u>	<u>\$15,533,184</u>
Total Net Position	<u>\$16,468,254</u>	<u>\$15,530,800</u>

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

Estimated Receipts - Employee Contributions	<u>\$203,700</u>
Estimated Receipts - All Other Sources	
Investment Earnings	<u>\$1,152,900</u>
Municipal Contributions	<u>\$1,154,950</u>

- 3) The estimated amount necessary during the fiscal year to meet the annual actuarial requirements of the pension fund as provided in Sections 4-118 and 4-120:

Annual Requirement of the Fund as Determined by:

Illinois Department of Insurance	<u>N/A</u>
Private Actuary - Lauterbach & Amen, LLP	
Recommended Municipal Contribution	<u>\$1,154,950</u>
Statutory Municipal Contribution	<u>\$923,984</u>



**THE CITY OF BELVIDERE, ILLINOIS  
FIREFIGHTERS' PENSION FUND**

**Public Act 95-950 - Municipal Compliance Report  
For the Fiscal Year Ending April 30, 2019**

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

	<u>Current Fiscal Year</u>	<u>Preceding Fiscal Year</u>
Net Income Received from Investment of Assets	<u>\$1,033,753</u>	<u>\$1,095,096</u>
Assumed Investment Return		
Illinois Department of Insurance	<u>N/A</u>	<u>6.50%</u>
Private Actuary - Lauterbach & Amen, LLP	<u>7.00%</u>	<u>7.00%</u>
Actual Investment Return	<u>6.46%</u>	<u>7.28%</u>

- 5) The increase in employer pension contributions that results from the implementation of the provisions of P.A. 93-0689:

Illinois Department of Insurance	<u>N/A</u>
Private Actuary - Lauterbach & Amen, LLP	<u>N/A</u>

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

Number of Active Members	<u>29</u>
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- 7) The total amount that was disbursed in benefits during the fiscal year, including the number of and total amount disbursed to (i) annuitants in receipt of a regular retirement pension, (ii) recipients being paid a disability pension, and (iii) survivors and children in receipt of benefits:

	<u>Number of</u>	<u>Total Amount Disbursed</u>
(i) Regular Retirement Pension	<u>14</u>	<u>\$726,333</u>
(ii) Disability Pension	<u>9</u>	<u>\$376,070</u>
(iii) Survivors and Child Benefits	<u>9</u>	<u>\$261,770</u>
Totals	<u>32</u>	<u>\$1,364,173</u>

**THE CITY OF BELVIDERE, ILLINOIS  
FIREFIGHTERS' PENSION FUND**

**Public Act 95-950 - Municipal Compliance Report  
For the Fiscal Year Ending April 30, 2019**

8) The funded ratio of the fund:

	<u>Current Fiscal Year</u>	<u>Preceding Fiscal Year</u>
Illinois Department of Insurance	N/A	58.10%
Private Actuary - Lauterbach & Amen, LLP	58.56%	58.66%

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

Unfunded Liability:

Illinois Department of Insurance	<u>N/A</u>
Private Actuary - Lauterbach & Amen, LLP	<u>\$11,781,741</u>

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

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


Investment Policy - See Attached.


Please see Notes Page attached.

CERTIFICATION OF MUNICIPAL FIREFIGHTERS'  
PENSION FUND COMPLIANCE REPORT

The Board of Trustees of the Pension Fund, based upon information and belief, and to the best of our knowledge, hereby certify pursuant to §4-134 of the Illinois Pension Code 40 ILCS 5/4-134, that the preceding report is true and accurate.

Adopted this 21 day of Nov, 2019

President  Date 11/21/19

Secretary  Date 11/21/19

**THE CITY OF BELVIDERE, ILLINOIS  
FIREFIGHTERS' PENSION FUND**

**Public Act 95-950 - Municipal Compliance Report  
For the Fiscal Year Ending April 30, 2019**

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INDEX OF ASSUMPTIONS

- 1) Total Cash and Investments - as Reported at Market Value in the Audited Financial Statements for the Years Ended April 30, 2019 and 2018.

Total Net Position - as Reported in the Audited Financial Statements for the Years Ended April 30, 2019 and 2018.

- 2) Estimated Receipts - Employee Contributions as Reported in the Audited Financial Statements for the Year Ended April 30, 2019 plus 4.64% Increase (Actuarial Salary Increase Assumption) Rounded to the Nearest \$100.

Estimated Receipts - All Other Sources:

Investment Earnings - Cash and Investments as Reported in the Audited Financial Statements for the Year Ended April 30, 2019, times 7% (Actuarial Investment Return Assumption) Rounded to the Nearest \$100.

- 3) Annual Requirement of the Fund as Determined by:

Illinois Department of Insurance - No April 30, 2019 Actuarial Valuation available at the time of this report.

Private Actuary - Lauterbach & Amen, LLP:

Recommended Amount of Tax Levy as Reported by Lauterbach & Amen, LLP in the April 30, 2019 Actuarial Valuation.

Statutorily Required Amount of Tax Levy as Reported by Lauterbach & Amen, LLP in the April 30, 2019 Actuarial Valuation.

**THE CITY OF BELVIDERE, ILLINOIS  
FIREFIGHTERS' PENSION FUND**

**Public Act 95-950 - Municipal Compliance Report  
For the Fiscal Year Ending April 30, 2019**

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INDEX OF ASSUMPTIONS - Continued

- 4) Net Income Received from Investment of Assets - Investment Income (Loss) net of Investment Expense, as Reported in the Audited Financial Statements for the Years Ended April 30, 2019 and 2018.

Assumed Investment Return:

Illinois Department of Insurance - Preceding Fiscal Year Interest Rate Assumption as Reported in the April 30, 2018 Actuarial Valuation. No April 30, 2019 Actuarial Valuation available at the time of this report.

Private Actuary - Current and Preceding Fiscal Year Interest Rate Assumption as Reported in the Lauterbach & Amen, LLP, April 30, 2019 and 2018 Actuarial Valuations.

Actual Investment Return -Net Income Received from Investments as Reported Above as a Percentage of the Average of the Beginning and Ending Balances of the Fiscal Year Cash Investments, Excluding Net Investment Income, Gains, and Losses for the Fiscal Year Return Being calculated, as Reported in the Audited Financial Statements for the Fiscal Years Ended April 30, 2019 and 2018.

- 5) Illinois Department of Insurance - Amount of total suggested tax levy to be excluded from the property tax extension limitation law as contemplated by 35 ILCS 200/18-185.

Private Actuary - No Private Actuarial Valuation amount available at the time of this report.

- 6) Number of Active Members - Illinois Department of Insurance Annual Statement for April 30, 2019 - Schedule P.

- 7) (i) Regular Retirement Pension - Illinois Department of Insurance Annual Statement for April 30, 2019 - Schedule P for Number of Participants and Expense page 1 for Total Amount Disbursed.

(ii) Disability Pension - Same as above.

(iii) Survivors and Child Benefits - Same as above.

**THE CITY OF BELVIDERE, ILLINOIS  
FIREFIGHTERS' PENSION FUND**

**Public Act 95-950 - Municipal Compliance Report  
For the Fiscal Year Ending April 30, 2019**

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INDEX OF ASSUMPTIONS - Continued

8) The funded ratio of the fund:

Illinois Department of Insurance - Preceding Fiscal Year Net Present Assets as a percentage of Total Assets as Reported in the April 30, 2018 Actuarial Valuation. No April 30, 2019 Actuarial Valuation available at the time of this report.

Private Actuary - Current and Preceding Fiscal Year Net Present Assets as a percentage of Total Assets as Reported in the Lauterbach & Amen, LLP, April 30, 2019 and April 30, 2018 Actuarial Valuations.

9) Unfunded Liability:

Illinois Department of Insurance - Deferred Asset (Unfunded Accrued Liability) - No April 30, 2019 Actuarial Valuation available at the time of this report.

Private Actuary - Deferred Asset (Unfunded Accrued Liability) as Reported by Lauterbach & Amen, LLP in the April 30, 2019 Actuarial Valuation.



## BELVIDERE POLICE PENSION FUND BOARD OF TRUSTEES

November 21, 2019

Mayor Michael Chamberlain and Members of the City Council  
City of Belvidere  
401 Whitney Blvd  
Belvidere, Illinois 61008

**RE: Tax Levy Request from the Belvidere Police Pension Fund**

Dear Mayor Chamberlain and Members of the City Council:

Section 3-125 of the Illinois Pension Code provides that the City of Belvidere must annually levy a tax to meet the annual actuarial requirements of the police pension fund (40 ILCS 5/3-125). The Board of Trustees of the Belvidere Police Pension Fund recently reviewed the actuarial valuation prepared by actuary Todd A. Schroeder of Lauterbach & Amen, LLP for purposes of the next City tax levy. The Illinois Department of Insurance has not issued its actuarial valuation for the Fund, and thus it has not been reviewed.

In light of the Board's fiduciary obligation to ensure funds are available to meet the actuarial requirements of the Fund, the Board voted to request that the City Council levy in December 2019 and contribute in the next fiscal year the recommended amount of \$1,393,328 on behalf of the Belvidere Police Pension Fund. This amount is based on Mr. Schroeder's calculation using an investment return of 7.0% under the entry age normal actuarial method and following a 100% funding policy by year 2040. Note the following highlights from the actuarial valuations:

- The recommended contribution has increased \$89,210 from the prior year (a 6.8% increase).
- The return on investments was 7.0%, net of all administrative expenses. When smoothing (the recognition of gains and losses over five years) was considered, the return on investments on the actuarial value of assets was 5.1% net of administrative expenses.
- The Fund paid out over \$1.4 million in benefits last fiscal year. The City's contributions during the last fiscal year were over \$1.2 million.

The actuary has identified areas of potential risk to the Fund, in accordance with the Actuarial Standards of Practice No. 51, Assessment and Disclosure of Risk, which is new to the report this year:

- *Unfunded Liability* -- Because the current recommended contribution includes a payment towards the unfunded liability that is approximately \$17,000 greater than the interest on the unfunded liability, that liability should continue to decrease and improvement will continue in the funding status of the Fund.
- *Benefit payment risk* -- The actuary noted that a fund in good financial standing will have a ratio of annual benefit payments to the market value of assets that is less than the

expected return on investments assumption (for this Fund, 7.0%). Currently, the Fund has a ratio of benefit payments to market value of assets of 6.44%, which means that the Fund is in a sound financial position and should be able to generally make its benefit payments from the annual investment income generated by the Fund.

- *Expected return on investments* – Generally, the actuary has noted on the ideal investment return assumption is one that has a 50% chance of being met over the long term. Nationally, the trend amongst public pension funds is to reduce this assumption to a more conservative level. The current assumption of 7% should be revisited before next year's actuarial valuation to assess whether it continues to be reasonable.

The Board appreciates the City's continued commitment to proper funding. Enclosed please find the preliminary municipal compliance report (MCR) for your review. Once the DOI issues its actuarial valuation, the MCR will be updated to include the DOI's data. If you have any questions regarding the Board's request or would like a representative of the Board to attend the City Council meeting at which our request will be discussed, please let us know.

Sincerely,

**BELVIDERE POLICE PENSION FUND**

  
\_\_\_\_\_  
Matt Wallace, President

Enclosures

- Lauterbach & Amen's Actuarial Valuation as of May 1, 2019
- Preliminary Municipal Compliance Report
- Investment Policy

cc: Becky Tobin, City Finance Director (w/ enclosures)  
Cory Thornton, City Treasurer (w/ enclosures)



## BELVIDERE POLICE PENSION FUND BOARD OF TRUSTEES

November 21, 2019

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City of Belvidere  
401 Whitney Blvd  
Belvidere, Illinois 61008

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In light of the Board's fiduciary obligation to ensure funds are available to meet the actuarial requirements of the Fund, the Board voted to request that the City Council levy in December 2019 and contribute in the next fiscal year the recommended amount of \$1,393,328 on behalf of the Belvidere Police Pension Fund. This amount is based on Mr. Schroeder's calculation using an investment return of 7.0% under the entry age normal actuarial method and following a 100% funding policy by year 2040. Note the following highlights from the actuarial valuations:

- The recommended contribution has increased \$89,210 from the prior year (a 6.8% increase).
- The return on investments was 7.0%, net of all administrative expenses. When smoothing (the recognition of gains and losses over five years) was considered, the return on investments on the actuarial value of assets was 5.1% net of administrative expenses.
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- *Unfunded Liability* -- Because the current recommended contribution includes a payment towards the unfunded liability that is approximately \$17,000 greater than the interest on the unfunded liability, that liability should continue to decrease and improvement will continue in the funding status of the Fund.
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The Board appreciates the City's continued commitment to proper funding. Enclosed please find the preliminary municipal compliance report (MCR) for your review. Once the DOI issues its actuarial valuation, the MCR will be updated to include the DOI's data. If you have any questions regarding the Board's request or would like a representative of the Board to attend the City Council meeting at which our request will be discussed, please let us know.

Sincerely,

**BELVIDERE POLICE PENSION FUND**

  
Matt Wallace, President

Enclosures

- Lauterbach & Amen's Actuarial Valuation as of May 1, 2019
- Preliminary Municipal Compliance Report
- Investment Policy

cc: Becky Tobin, City Finance Director (w/ enclosures)  
Cory Thornton, City Treasurer (w/ enclosures)

THE CITY OF BELVIDERE, ILLINOIS  
POLICE PENSION FUND

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PUBLIC ACT 95-0950  
MUNICIPAL COMPLIANCE REPORT

FOR THE FISCAL YEAR ENDED  
APRIL 30, 2019



Lauterbach & Amen, LLP

CERTIFIED PUBLIC ACCOUNTANTS

668 NORTH RIVER RD. • NAPERVILLE, ILLINOIS 60563

PHONE 630.393.1483 • FAX 630.393.2516

[www.lauterbachamen.com](http://www.lauterbachamen.com)

October 8, 2019

Members of the Pension Board of Trustees  
Belvidere Police Pension Fund  
Belvidere, Illinois

Enclosed please find a copy of your Municipal Compliance Report for the Belvidere Police Pension Fund for the fiscal year ended April 30, 2019. We have prepared the report with the most recent information available at our office. Should you have more current information, or notice any inaccuracies, we are prepared to make any necessary revisions and return them to you.

The President and Secretary of the Pension Fund are required to sign the report on page 3. If not already included with the enclosed report, please also include a copy of the Pension Fund's most recent investment policy.

The signed Public Act 95-0950 - Municipal Compliance Report must be provided to the Municipality before the tax levy is filed on the last Tuesday in December. We are sending the report via email to promote an environmentally-friendly work atmosphere.

If you have any questions regarding this report, please contact your Client Manager or PSA.

Respectfully submitted,

*Lauterbach & Amen, LLP*

LAUTERBACH & AMEN, LLP

**THE CITY OF BELVIDERE, ILLINOIS  
POLICE PENSION FUND**

**Public Act 95-950 - Municipal Compliance Report  
For the Fiscal Year Ending April 30, 2019**

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

- 1) The total cash and investments, including accrued interest, of the fund at market value and the total net position of the Pension Fund:

	<u>Current Fiscal Year</u>	<u>Preceding Fiscal Year</u>
Total Cash and Investments (including accrued interest)	<u>\$22,845,260</u>	<u>\$21,242,325</u>
Total Net Position	<u>\$22,826,263</u>	<u>\$21,227,512</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>\$345,900</u>
Estimated Receipts - All Other Sources	
Investment Earnings	<u>\$1,599,200</u>
Municipal Contributions	<u>\$1,393,328</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>\$1,882,600</u>
(b) Annual Requirement of the Fund as Determined by:	
Illinois Department of Insurance	<u>N/A</u>
Private Actuary - Lauterbach & Amen, LLP	
Recommended Municipal Contribution	<u>\$1,393,328</u>
Statutory Municipal Contribution	<u>\$1,106,910</u>

**THE CITY OF BELVIDERE, ILLINOIS  
POLICE PENSION FUND**

**Public Act 95-950 - Municipal Compliance Report  
For the Fiscal Year Ending April 30, 2019**

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

	<u>Current Fiscal Year</u>	<u>Preceding Fiscal Year</u>
Net Income Received from Investment of Assets	<u>\$1,522,125</u>	<u>\$1,317,561</u>
Assumed Investment Return		
Illinois Department of Insurance	<u>N/A</u>	<u>6.50%</u>
Private Actuary - Lauterbach & Amen, LLP	<u>7.00%</u>	<u>7.00%</u>
Actual Investment Return	<u>6.91%</u>	<u>6.39%</u>

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

Number of Active Members	<u>43</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 benefit

	<u>Number of</u>	<u>Total Amount Disbursed</u>
(i) Regular Retirement Pension	<u>22</u>	<u>\$1,206,159</u>
(ii) Disability Pension	<u>1</u>	<u>\$26,380</u>
(iii) Survivors and Child Benefits	<u>6</u>	<u>\$238,555</u>
Totals	<u>29</u>	<u>\$1,471,094</u>

**THE CITY OF BELVIDERE, ILLINOIS  
POLICE PENSION FUND**

**Public Act 95-950 - Municipal Compliance Report  
For the Fiscal Year Ending April 30, 2019**

7) The funded ratio of the fund:

	<u>Current Fiscal Year</u>	<u>Preceding Fiscal Year</u>
Illinois Department of Insurance	<u>N/A</u>	<u>61.86%</u>
Private Actuary - Lauterbach & Amen, LLP	<u>63.20%</u>	<u>63.16%</u>

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

Unfunded Liability:

Illinois Department of Insurance	<u>N/A</u>
Private Actuary - Lauterbach & Amen, LLP	<u>\$13,521,911</u>

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

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


Investment Policy - See Attached.


Please see Notes Page attached.

CERTIFICATION OF MUNICIPAL POLICE  
PENSION FUND COMPLIANCE REPORT

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

Adopted this 21<sup>st</sup> day of November, 2019

President  Date 11/21/2019

Secretary  Date 11/21/2019

**THE CITY OF BELVIDERE, ILLINOIS  
POLICE PENSION FUND**

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For the Fiscal Year Ending April 30, 2019**

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INDEX OF ASSUMPTIONS

- 1) Total Cash and Investments - as Reported at Market Value in the Audited Financial Statements for the Years Ended April 30, 2019 and 2018.

Total Net Position - as Reported in the Audited Financial Statements for the Years Ended April 30, 2019 and 2018.

- 2) Estimated Receipts - Employee Contributions as Reported in the Audited Financial Statements for the Year Ended April 30, 2019 plus 4.26% Increase (Actuarial Salary Increase Assumption) Rounded to the Nearest \$100.

Estimated Receipts - All Other Sources:

Investment Earnings - Cash and Investments as Reported in the Audited Financial Statements for the Year Ended April 30, 2019, times 7% (Actuarial Investment Return Assumption) Rounded to the Nearest \$100.

- 3) (a) Pay all Pensions and Other Obligations - Total Non-Investment Deductions as Reported in the Audited Financial Statements for the Year Ended April 30, 2019, plus a 25% Increase, Rounded to the Nearest \$100.

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

Illinois Department of Insurance - No April 30, 2019 Actuarial Valuation available at the time of this report.

Private Actuary - Lauterbach & Amen, LLP:

Recommended Amount of Tax Levy as Reported by Lauterbach & Amen, LLP in the April 30, 2019 Actuarial Valuation.

Statutorily Required Amount of Tax Levy as Reported by Lauterbach & Amen, LLP in the April 30, 2019 Actuarial Valuation.

**THE CITY OF BELVIDERE, ILLINOIS  
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**Public Act 95-950 - Municipal Compliance Report  
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INDEX OF ASSUMPTIONS - Continued

- 4) Net Income Received from Investment of Assets - Investment Income (Loss) net of Investment Expense, as Reported in the Audited Financial Statements for the Years Ended April 30, 2019 and 2018.

Assumed Investment Return:

Illinois Department of Insurance - Preceding Fiscal Year Interest Rate Assumption as Reported in the April 30, 2018 Actuarial Valuation. No April 30, 2019 Actuarial Valuation available at the time of this report.

Private Actuary - Current and Preceding Fiscal Year Interest Rate Assumption as Reported in the Lauterback & Amen, LLP, April 30, 2019 and 2018 Actuarial Valuations.

Actual Investment Return - Net Income Received from Investments as Reported Above as a Percentage of the Average of the Beginning and Ending Balances of the Fiscal Year Cash Investments, Excluding Net Investment Income, Gains, and Losses for the Fiscal Year Return Being calculated, as Reported in the Audited Financial Statements for the Fiscal Years Ended April 30, 2019 and 2018.

- 5) Number of Active Members - Illinois Department of Insurance Annual Statement for April 30, 2019 - Schedule P.
- 6) (i) Regular Retirement Pension - Illinois Department of Insurance Annual Statement for April 30, 2019 - Schedule P for Number of Participants and Expense page 1 for Total Amount Disbursed.
- (ii) Disability Pension - Same as above.
- (iii) Survivors and Child Benefits - Same as above.



**THE CITY OF BELVIDERE, ILLINOIS  
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INDEX OF ASSUMPTIONS - Continued

7) The funded ratio of the fund:

Illinois Department of Insurance - Preceding Fiscal Year Net Present Assets as a percentage of Total Assets as Reported in the April 30, 2018 Actuarial Valuation. No April 30, 2019 Actuarial Valuation available at the time of this report.

Private Actuary - Current and Preceding Fiscal Year Net Present Assets as a percentage of Total Assets as Reported in the Lauterbach & Amen, LLP, April 30, 2019 and April 30, 2018 Actuarial Valuations.

8) Unfunded Liability:

Illinois Department of Insurance - Deferred Asset (Unfunded Accrued Liability) - No April 30, 2019 Actuarial Valuation available at the time of this report.

Private Actuary - Deferred Asset (Unfunded Accrued Liability) as Reported by Lauterbach & Amen, LLP in the April 30, 2019 Actuarial Valuation.

## GENERAL OVERVIEW

- The Cannabis Regulation and Tax Act is over 600 pages long.
- Extensive / Arguable over bureaucratic regulation of growing, transporting, selling and transporting cannabis products.
  - Creates two growing licenses including a general growing license and a “craft growers license”. Only 30 adult cultivation center licenses will be issued for the state and no more than 100 craft grower licenses issued.
- Dispensaries are very limited and regulated. Between 1/1/20 and 1/1/21 only 75 dispensary licenses may be issued in specific locations identified in the Act. Belvidere and Boone County do not qualify for a dispensary in that year. Rockford will receive 2 available licenses. These 75 licenses are in addition to any “early adopting” medical marijuana dispensaries that are approved for retail sales.
- Commencing 1/1/21 an additional 110 dispensing licenses will be available and commencing 1/1/22 additional dispensing licenses may be issued but not to exceed 500 statewide.
- Licenses are not issued on a first come first served basis. The state will look at each application and rank the application based upon multiple criteria, including, but not limited to, area need and market saturation.
- The Act permits personal consumption and possession of cannabis up to a specific amount for private use. The Act prohibits public consumption of cannabis with one significant exception. A Public Place is any place where a person may reasonably be expected to be observed by others (excluding private residences).
- The Act prohibits the personal cultivation of cannabis with the exception of holders of a medical marijuana card. However, the criminal code was also amended. Possession of 5 plants or less is now a civil violation with a \$200.00 maximum fine.
- The Act prohibits the sale of cannabis at the same location where alcohol is sold with the exception of certain tinctures.

## LOCAL REGULATION AND TAX

(ASSUMING BELVIDERE RECEIVES A DISPENSARY AFTER 1/1/21)

- Home Rule is preempted by the Act. However, the Act specifically authorizes certain local regulation and taxation consistent with the Act.
- Municipalities may NOT prohibit the personal use or possession of cannabis in conformance with the Act.
- Municipalities may prohibit growers and dispensaries within their boundaries.

- Municipalities may place reasonable zoning restrictions upon the location of growers and dispensaries including, but not limited to, time, place and manner restrictions and limits on the number of dispensaries similar to what Belvidere has done with video gaming.
- Municipalities may enact a local retailers occupation tax of up to 3% of the purchase price of any cannabis products sold at a dispensary. This is in addition to all other existing taxes.
- The Act regulates dispensary and grower operations including the age of employees, who may be an employee and all record keeping and security requirements. The municipalities may not regulate in this area unless it is consistent with the Act.
- Cannabis Lounges:
  - The Act allows a municipality to adopt an ordinance allowing for the on-premises consumption of cannabis. The on-premises consumption is prohibited unless specifically allowed by a municipality. This is the exception to the no public consumption provision mentioned earlier.
  - At first blush this would seem to be akin to a bar where a dispensary, if permitted by the municipality, could operate as a cannabis bar and allow consumption on premises.
  - However, potentially it could be greater. The Act, if also authorized by ordinance, would seem to allow a BYO type of facility where individuals could bring their own cannabis to a permitted location and consume the cannabis socially at that location.
  - Municipalities appear to be free to enact reasonable license fees and other regulations, including zoning regulations in the administration of on-site cannabis consumption.