



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
Alderman Daniel Arevalo	Vice-Chairman Finance and Personnel
Alderman Wendy Frank	Vice Co-Chairman City-County
Alderman Thomas Ratcliffe	Chairman Finance and Personnel
Alderman Ric Brereton	Chairman Public Safety
Alderman Mike McGee	Vice Chairman Building, Planning & Zoning
Alderman Marsha Freeman	Chairman Public Works
Alderman Matt Fleury	Vice Chairman Public Safety

AGENDA

November 23, 2020
6:00 p.m.
City Council Chambers
401 Whitney Blvd., Belvidere, Illinois

Call to Order – Mayor Mike Chamberlain.

Roll Call:

Public Comment:

Public Forum:

Reports of Officers, Boards, and Special Committees:

1. Finance & Personnel, Unfinished Business: None.
2. Finance & Personnel, New Business:
 - (A) Budget/Finance Update.
 - (B) 2020 Tax Levy Request from the Belvidere Fire Pension Fund.
 - (C) 2020 Tax Levy Request from the Belvidere Police Pension Fund.

(D) Discussion of Tax Levy.

3. Public Safety, Unfinished Business: None.
4. Public Safety, New Business:
 - (A) Fire Department – Update.
 - (B) Fire Department – Purchase of one Command Vehicle.
 - (C) Fire Department – Promotional Testing Agreement with Resource Management.
 - (D) Police Department – Update.
5. Other:
 - (A) Public Works – Biennial Bridge Inspections and FHWA Metric #15.
 - (B) Public Works – Sanitary Sewer Spot Repair – 200 Block of North State Street.
 - (C) Business Registration Amendments.
 - (D) Video Gaming Establishments – Ald. Frank.
6. Adjournment:

City of Belvidere
Fiscal Year 2021 Revenue Comparables

	May		June		July		August		September		October	
	FY 20	FY21	FY 20	FY21	FY 20	FY21	FY 20	FY21	FY 20	FY21	FY 20	FY21
Sales Tax	240,186.74	232,353.64	296,066.80	268,102.42	303,546.13	259,671.71	333,364.62	280,459.08	325,060.67	302,041.68	340,495.92	321,301.06
HR Sales Tax	70,976.50	74,528.59	91,767.14	76,432.95	93,778.00	73,928.81	105,288.43	86,873.12	103,372.44	92,891.85	101,065.34	97,250.87
Local Use Tax	61,790.12	63,599.00	70,244.49	80,901.88	66,487.44	85,646.18	66,774.70	95,249.53	67,883.31	96,160.69	69,787.43	97,237.13
Income Tax	513,782.01	257,949.15	160,452.13	159,776.37	239,952.10	233,718.26	172,005.06	346,887.47	152,232.93	196,551.07	271,611.58	284,623.09
Local MFT	47,360.50	29,363.85	51,728.94	37,507.45	47,762.98	39,985.81	56,316.14	44,360.22	52,280.21	48,427.43	48,126.16	40,837.63
MFT	56,631.29	45,448.80	51,899.04	35,676.66	47,312.88	35,345.97	59,138.45	43,989.40	46,955.98	52,310.33	54,005.82	47,610.56
Transportation Tax	N/A	30,432.99	N/A	24,405.02	N/A	26,469.60	N/A	31,655.92	38,124.28	35,960.51	38,408.79	34,381.47
Court Fines	16,790.70	8,883.89	27,536.75	7,979.36	23,387.08	13,611.90	17,924.79	16,112.11	20,900.83	12,640.65	18,903.77	15,275.53
Video Gambling	34,627.33	18,345.82	30,800.00	0.00	29,231.12	0.00	33,002.39	0.00	31,154.33	36,414.15 (July)	33,624.13	34,520.89 (August)

Notes: *The FY 20 May Income Tax Payment was an anomaly due to much higher corporate and individual income tax revenues in April 2019.

* August 2020 Income taxes are higher than normal because of the tax return deadline being extended to July 15, 2020.

*Sales Tax and HR Sales Tax are 3 months in the rear. For example, May sales are August revenues on this report.

* See back of report

November		December		January		February		March		April	
FY 20	FY21	FY 20	FY21	FY 20	FY21	FY 20	FY21	FY 20	FY21	FY 20	FY21
326,953.69	340,212.92	297,672.13		310,593.69		294,218.84		325,583.72		257,166.64	
98,119.25	95,059.69	90,500.63		95,471.07		90,836.68		101,985.47		83,290.42	
66,860.21	92,592.80	74,882.70		82,217.46		77,025.48		105,689.85		73,185.19	
177,268.52	192,322.18	167,511.11		234,137.82		241,226.03		179,375.43		263,457.67	
44,737.86	NA	41,511.97		38,246.62		47,796.14		37,431.26		42,246.69	
50,245.31	47,741.66	57,454.32		76,134.67		44,576.20		44,445.70		49,285.09	
34,550.59	33,161.58	38,028.94		36,175.34		35,007.21		34,282.25		32,216.18	
24,205.44	14,482.49	16,370.56		21,003.12		19,381.14		21,839.08		17,383.46	
30,261.47	36,066.90 (Sept)	33,225.14	32,413.30 (Oct)	28,768.33		32,154.78		18,345.82		0.00	

Municipal Sales Tax Comparables

FY 21 Budget- \$3,660,790

	FY 20	FY 21		
May	240,186.74	252,353.64		
June	296,066.80	268,102.42		
July	303,546.13	259,671.71		
August	333,364.62	280,459.08		
September	325,060.67	302,041.68		
October	340,495.92	321,301.06		
November	326,953.69	340,212.92		
December				
January				
February				
March				
April				
Total	2,165,674.57	2,024,142.51	141,532.06	
			Decline%	6.54%

Home Rule Sales Tax Comparables

FY 21 Budget - \$1,130,065

	FY 20	FY 21		
May	70,926.50	74,528.59		
June	91,767.14	76,432.95		
July	93,778.00	73,928.81		
August	105,288.43	86,873.12		
September	103,372.44	92,891.85		
October	101,065.34	97,250.87		
November	98,119.25	95,059.69		
December				
January				
February				
March				
April				
Total	664,317.10	596,965.88	67,351.22	
			Decline %	10.14%



**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 8th, 2020

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

RE: 2020 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 recently reviewed the actuarial report prepared by Lauterbach & Amen, LLP for purposes of the next City tax levy; the Board requests that the City Council levy the suggested actuarial amount of **\$1,238,702** on behalf of the Belvidere Fire Pension Fund.

This amount is calculated 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 study:

- The percent funded has increased from 58.56% to 59.19%.
- The recommended contribution has increased \$83,752 from the prior year.
- The Investment Return on Assets net of fees for the period was 1.68%.

The Board wants to thank City Administration for your commitment to fund the trust based on the actuarial assessment done by Lauterbach and Amen.

Sincerely,

Captain Shawn Schadle
Belvidere Firefighters Pension Fund President



CITY OF BELVIDERE FIRE PENSION FUND

P.O. Box 977
Belvidere, IL 61008

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sschadle@belviderefire.com

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cletourneau@belviderefire.com

Supplemental Information:

Below, I would like to provide some general information, and answer some common questions I hear about police and fire pension funds.

Why are pensions so expensive?

What drives up the cost of the pensions are the unfunded liability and resulting lost investment income. Subtracting the amount requested for the unfunded liability and lost investment earnings, this year our funding request would be \$362,246.

RECOMMENDED CONTRIBUTION

	Prior Valuation	Current Valuation
Employer Normal Cost*	\$ 315,731	\$ 362,246
Amortization of Unfunded Accrued Liability/(Surplus)	839,219	876,456
Recommended Contribution	\$ 1,154,950	\$ 1,238,702

Why should we have all that money sitting there?

Having a fully funded pension saves taxpayers money. A 100% funded pension fund has the lowest cost as a percent of payroll possible. The investment returns have the time to compound year after year and provide a more substantial portion of the beneficiary payment taking the burden off the taxpayer.

This year the amortization of the unfunded accrued liability is \$876,456. Most of this money offsets the lost investment income.

Aren't the funds consolidated now, so that should not that start saving us some money?

All the police and fire funds in the state will be consolidated into 2 funds, one police and one fire, but taxpayers will not see any immediate savings. Contrarily, there will be increased costs especially during the transition period. Each municipality will still have their own "account" of assets. This means that less funded pension funds will not be supported at all by other well-funded municipalities. Each municipality will still have their own accrued liability and the obligation to fund their own pensions.



CITY OF BELVIDERE FIRE PENSION FUND

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Firefighters and police hired after Jan. 1, 2011 have reduced benefits known as Tier II benefits. Tier II cannot receive benefits until after age 55, instead of age 50, the calculation of the final average salary is over a much longer duration, vs. the last day worked, and the COLA increases are reduced compared to tier I.

Tier II Enhancements:

1) Expanded survivor benefits. A husband or wife of a deceased police officer or firefighter will now be eligible for two-thirds of the deceased's accrued pension benefits, regardless of how long the person worked before their death. Previously, employees hired after 2011 needed to work at least 10 years and vest before survivor benefits were available. For Tier 1 public safety workers hired before 2011, surviving spouses were already eligible to receive a portion of the deceased's pension regardless of how many years of service an employee had.

2) Increased pensionable salary cap. Tier 2 employees are subject to a pensionable salary cap that began at \$106,800 and has grown since 2011 at half of inflation or 3% per year, whichever is less. Salaries can grow beyond the cap, but the portion that is used to calculate pension benefits cannot. With the changes in the bill just enacted, the cap would grow at full inflation instead. A legal memo from the Illinois Municipal League had pointed to the pensionable salary cap as a particular area of concern for potential safe harbor violations, because the current salary cap of roughly \$115,000 is less than the Social Security wage base of \$132,900.

3) Increased final average salary. A Tier 2 public safety employee's final average salary, which serves as the basis for calculating monthly and annual pension payments at the end of a career, will now be based on the highest four out of the last five years rather than the highest eight of the last 10. The practical effect is that many employees will see a boost in their initial pension check on retirement, which serves as the basis for subsequent annual increases.



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FIRE PENSION FUND**

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More so, the consolidation has new costs as the consolidated funds both must hire lawyers, actuaries, fund managers, financial managers, accountants, and staff. These costs will be passed through to the funds. One of the first actions the consolidated funds did was take a 7.5-million-dollar loan to hire people to begin the process.

The legislation that consolidated the funds also included language for increased benefits for Tier II firefighters and police. The enhancements have increased the accrued unfunded liability of the funds. The list of enhancements is listed at the end of this.

Since the consolidated funds are larger, and there are no legislative restraints on what the funds can invest in, will we see higher returns?

Hopefully. This is the silver lining. Hopefully, we will experience higher returns and then we can experience some relief for taxpayers in the long run.

Now that the funds are managed together, should we expect less administrative costs?

Not really. The Belvidere Fire Pension Board is still required to hire accountants and professional service administrators to ensure that beneficiaries are paid on time and the proper amounts, as well as perform audits, and possibly even actuarial studies. We don't anticipate savings in this area. The boards will still retain their legal responsibilities to adjudicate retirements, and disability claims, so we don't anticipate a reduction in legal fees. The board members are still fiduciaries to the fund so the fund will still have fiduciary liability insurance costs. The annual audit and filing fees are not expected to decrease. One service the fund will not directly pay for any more is for the fund managers, as that expense will pass through the consolidated funds. Our total cost for our fund managers was 20 basis points or 0.2%, so the savings, most likely, will not be material.

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

**PUBLIC ACT 95-0950
MUNICIPAL COMPLIANCE REPORT**

**FOR THE FISCAL YEAR ENDED
APRIL 30, 2020**

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

**Public Act 95-950 - Municipal Compliance Report
For the Fiscal Year Ending April 30, 2020**

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>\$16,589,988</u>	<u>\$16,469,651</u>
Total Net Position	<u>\$16,587,657</u>	<u>\$16,468,254</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>\$210,400</u>
Estimated Receipts - All Other Sources	
Investment Earnings	<u>\$1,161,300</u>
District Contributions	<u>\$1,238,702</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 District Contributions	<u>\$1,238,702</u>
Statutory District Contributions	<u>\$995,966</u>

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

**Public Act 95-950 - Municipal Compliance Report
For the Fiscal Year Ending April 30, 2020**

- 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>\$314,720</u>	<u>\$1,033,753</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>1.90%</u>	<u>6.46%</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>13</u>	<u>\$822,920</u>
(ii) Disability Pension	<u>8</u>	<u>\$386,690</u>
(iii) Survivors and Child Benefits	<u>9</u>	<u>\$253,322</u>
Totals	<u>30</u>	<u>\$1,462,932</u>

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

**Public Act 95-950 - Municipal Compliance Report
For the Fiscal Year Ending April 30, 2020**

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, 2019 Actuarial Valuation. No April 30, 2020 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, 2020 and April 30, 2019 Actuarial Valuations.

9) Unfunded Liability:

Illinois Department of Insurance - Deferred Asset (Unfunded Accrued Liability) - No April 30, 2020 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, 2020 Actuarial Valuation.

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

**Public Act 95-950 - Municipal Compliance Report
For the Fiscal Year Ending April 30, 2020**

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, 2020 and 2019.

Assumed Investment Return:

Illinois Department of Insurance - Preceding Fiscal Year Interest Rate Assumption as Reported in the April 30, 2019 Actuarial Valuation. No April 30, 2020 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, 2020 and 2019 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, 2020 and 2019.

- 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, 2020 - Schedule P.

- 7) (i) Regular Retirement Pension - Illinois Department of Insurance Annual Statement for April 30, 2020 - 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, 2020**

INDEX OF ASSUMPTIONS

- 1) Total Cash and Investments - as Reported at Market Value in the Audited Financial Statements for the Years Ended April 30, 2020 and 2019.

Total Net Position - as Reported in the Audited Financial Statements for the Years Ended April 30, 2020 and 2019.

- 2) Estimated Receipts - Employee Contributions as Reported in the Audited Financial Statements for the Year Ended April 30, 2020 plus 4.71% 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, 2020, 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, 2020 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, 2020 Actuarial Valuation.

Statutorily Required Amount of Tax Levy as Reported by Lauterbach & Amen, LLP in the April 30, 2020 Actuarial Valuation.

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

**Public Act 95-950 - Municipal Compliance Report
For the Fiscal Year Ending April 30, 2020**

8) 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>57.12%</u>
Private Actuary - Lauterbach & Amen, LLP	<u>59.19%</u>	<u>58.56%</u>

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>\$11,902,756</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 9th day of Nov, 2020

President  Date 11/9/2020

Secretary  Date _____



BELVIDERE POLICE PENSION FUND BOARD OF TRUSTEES

November 9, 2020

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 2020 and contribute in the next fiscal year the recommended amount of **\$1,545,285** 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 \$151,957 from the prior year (a 10.91% increase).
- The primary factors causing the large increase in the employer contribution are assumption changes (including improvement in mortality), modification to Tier II benefit provisions, and asset returns being less than expected. Those three factors account for over \$150,000 of the increase.
- The return on investments was 0.85%, 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 4.22% net of administrative expenses.
- Last year, the Fund paid over \$1.5 million in benefits and ended the year with nearly \$23 million. Furthermore, the City met its annual recommended contribution to the Fund for the fifth straight year, contributing over \$1.3 million. The ratio of benefits to market value of assets rose to 6.54% (from 6.44% last year) but remains in sound financial territory.

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, 2020, 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

PUBLIC ACT 95-0950
MUNICIPAL COMPLIANCE REPORT

FOR THE FISCAL YEAR ENDED
APRIL 30, 2020



Lauterbach & Amen, LLP

CERTIFIED PUBLIC ACCOUNTANTS

668 NORTH RIVER RD • NAPERVILLE, ILLINOIS 60563

PHONE 630.393.1483 • FAX 630.393.2516

www.lauterbachamen.com

October 14, 2020

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, 2020. 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, 2020**

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:

	Current Fiscal Year	Preceding Fiscal Year
Total Cash and Investments (including accrued interest)	<u>\$23,158,550</u>	<u>\$22,845,260</u>
Total Net Position	<u>\$23,152,690</u>	<u>\$22,826,263</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>\$357,400</u>
Estimated Receipts - All Other Sources	
Investment Earnings	<u>\$1,621,100</u>
Municipal Contributions	<u>\$1,545,285</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>\$1,948,000</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>\$1,545,285</u>
Statutory Municipal Contribution	<u>\$1,229,595</u>

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

**Public Act 95-950 - Municipal Compliance Report
For the Fiscal Year Ending April 30, 2020**

- 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	\$239,123	\$1,522,125
Assumed Investment Return		
Illinois Department of Insurance	N/A	6.50%
Private Actuary - Lauterbach & Amen, LLP	7.00%	7.00%
Actual Investment Return	1.04%	6.91%

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

Number of Active Members	43
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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	22	\$1,241,957
(ii) Disability Pension	1	\$26,380
(iii) Survivors and Child Benefits	6	\$245,087
Totals	29	\$1,513,424

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

**Public Act 95-950 - Municipal Compliance Report
For the Fiscal Year Ending April 30, 2020**

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>60.98%</u>
Private Actuary - Lauterbach & Amen, LLP	<u>62.76%</u>	<u>63.20%</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>\$14,446,365</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 9th day of November, 2020

President  Date 11/09/2020

Secretary  Date 11/09/2020  

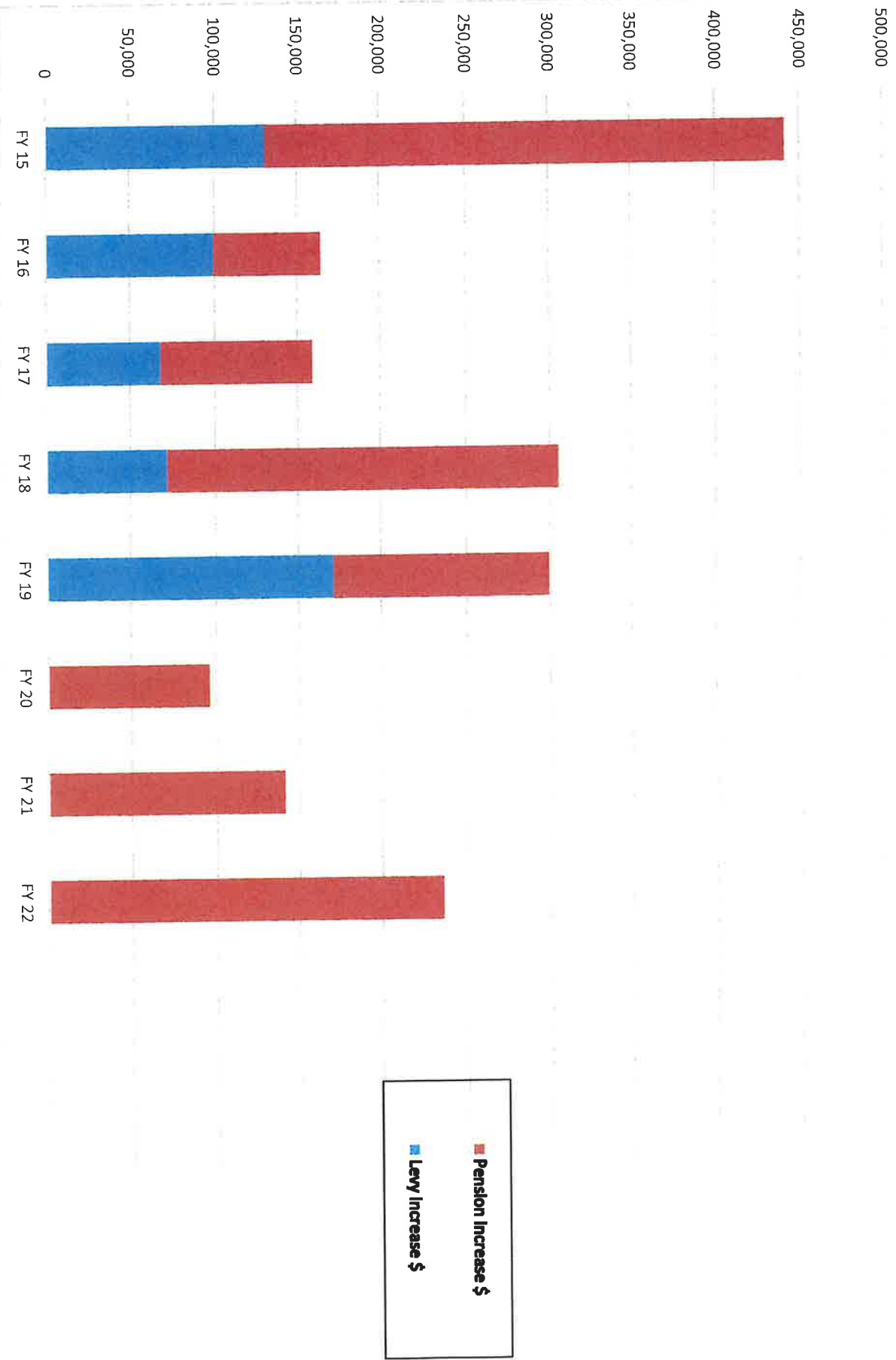
\$100,000 home in Belvidere = assessment of 33,333 (5.1% increase = 35,033)

Levy Year	Tax Rate	City Levy	
2019	1.4385	\$479.49	
2020	1.4031	\$467.70	(If EAV does not increase)
2020	1.4031	\$491.55	(If EAV increases the average 5.1%)
2020 with Levy Increase	1.4031	\$503.94	(this is an ESTIMATE)

		Actual Levy	Levy \$ If increase had been approved each year	Lost Revenue
2017 Levy	FY 19	\$4,983,934	\$4,983,934	\$0
2018 Levy	FY 20	\$4,983,934	\$5,144,325	\$160,391
2019 Levy	FY21	\$4,983,934	\$5,254,817	\$270,883
2020 Levy**	FY 22	\$4,983,934	\$5,382,063	\$398,129
			Total	\$829,403

** This assumes no increase for 2020 Levy. The lost revenue would decrease by \$125,685 if the FY 22 increase is approved.

City of Belvidere Property Tax Levy Increase vs. Police/Fire Pension Increase





**BELVIDERE
FIRE
DEPARTMENT**

**123 S. State St.
Belvidere, IL 61008**

Fire Chief and Administration Offices
(815)544-2242
Fax (815)544-2278

To: Mayor Chamberlain and City Council
From: Chief Al Hyser
Date: November 18, 2020
Re: Request for Authorization to Purchase One Command Vehicle

As requested in our FY21 budget, and approved by City Council, the Belvidere Fire Department is requesting authorization to proceed with the purchase of a new command vehicle as listed below:

2021 Ford Expedition XL 4X4 for a total cost of \$47,078.95

Vehicle is to be purchased from Kunes Dodge of Belvidere, IL through the Illinois State-Wide Bid Award. The price for this vehicle includes a Motorola dual band radio, emergency lighting up fitting, and necessary after-market equipment.

Motion: To authorize Capital Fund expenditures for the purchase of a 2021 Ford Expedition w/Public Safety Package at a cost not to exceed \$47,078.95.

Chief Al Hyser

CONTRACT

This agreement made and entered into this ____ day of _____, 2020, by and between the City of Belvidere, Illinois, hereinafter designated as "the City," and **Resource Management Associates, Inc.**, of Tinley Park, Illinois, hereinafter designated as "the Consultant", WITNESSETH:

I. Duties of the Consultant

The Consultant hereby agrees to design and administer a promotional examination for the positions of Fire Lieutenant and Fire Captain. This will include a written examination as well as an assessment center for each position, as outlined in the Consultant's proposal dated October 29, 2020, to include the following tasks:

A. Assessment Center

(1) In preparing and administering the assessment centers for Fire Lieutenant and Fire Captain, the Consultant will perform the following tasks:

- a. The Consultant will discuss with the Fire Chief or their designee the department organization as well as the duties of the positions of Lieutenant and Captain and to discuss the scenarios to be included in the assessment center processes. Based upon the information generated as a result of this discussion, The Consultant will design exercise materials that will fairly and accurately test the candidates' ability to perform the duties of these positions in a successful manner.
- b. The Consultant will prepare draft exercise materials and submit them to Fire Chief or their designee for review. Following this review, The Consultant will make any adjustments in these materials necessary to ensure their relevancy to the positions and to the operating procedures of the Belvidere Fire Department.
- c. The Consultant will administer an assessment center for each position to consist of two exercises designed to reflect the organization, operations and policies of the Belvidere Fire Department and the duties and responsibilities of the positions.
- d. The Consultant proposes that all parts of the assessment center, including the candidate evaluation and scoring, be video recorded to document the consistency in the process and fairness to all candidates. The video recordings can also be used to review the performance of the candidates in the exercises.
- e. Prior to the assessment centers, The Consultant will conduct an orientation session for the candidates to acquaint them with the nature of the process, the exercises in which they will participate, and the manner in which their performance will be evaluated.
- f. The Consultant will select three qualified persons to serve as assessors. These will be persons who have no connection with the fire department or any of the candidates and who will have no problem in objectively evaluating their performance. Any assessors utilized in this process will be taken from the certified assessors list maintained by the Office of the Illinois State Fire Marshal.
- g. The Consultant will conduct a training session for the assessors to acquaint them with the nature of the assessment center exercises and the procedures to be employed in evaluating and scoring the candidates. Assessors will also be provided with background information concerning the organization, staffing and operations of the Belvidere Fire Department.
- h. Upon concluding the assessment center process, The Consultant will tabulate the final scores and submit the results to the Fire and Police Commission once we receive this request from the Commission. Scores shall be based on a maximum 100 percent.
- i. Following the assessment center process, The Consultant will conduct individual feedback

CONTRACT BETWEEN THE CITY OF BELVIDERE, ILLINOIS, AND RESOURCE MANAGEMENT ASSOCIATES, INC. - PAGE 2

sessions with the candidates to review with them their performance in the assessment center and to point out to them areas in need of improvement.

B. Written Examination

(1) In preparing and administering the written examination for Fire Lieutenant and Fire Captain, the Consultant will perform the following tasks:

- a. The Consultant will consult with the Fire Chief or their designee to discuss the nature and contents of the written examination for these positions and to identify the source materials that will be used in constructing the examinations.
- b. The Consultant will provide a Reading List for each position which identify source materials from which all examination items will be drawn. Based on the Illinois Firefighters Promotion Act, The Consultant recommends that a minimum of 90 days be allowed between receipt and posting of the Reading List and the examination date. If desired, The Consultant will also include questions from the Department's Standard Operating Procedures or comparable document(s).
- c. The Consultant will develop a customized written examination for each position consisting of approximately 100 multiple-choice questions covering appropriate technical material germane to the duties and responsibilities of the positions.
- d. The Consultant will administer the examinations at a location provide by the City and on a date and time mutually agreed upon.
- e. The Consultant will make arrangements to score the examinations on-site using computerized scoring methods and providing for an immediate written report to the candidate containing their score as well as a list of the items they answered incorrectly.

C. Other Terms and Conditions

(1) The Consultant acknowledges that the City is an equal opportunity employer. The Consultant represents that it is familiar with the requirements of all applicable federal, state, and local anti-discrimination laws, rules, regulations, or guidelines, including the Americans with Disabilities Act, and will make every reasonable effort to comply therewith.

(2) The Consultant will agree to perform the tasks enumerated above for a fee not to exceed the following amounts:

Written Examination (covers both positions)

Base Fee for customized examinations	\$ 1,500.00
Test Booklets and Scoring @ \$15.00/each	
Local Question Development (if desired) @ \$25.00/question	
Test Administration (both positions tested together)	\$ 750.00

CONTRACT BETWEEN THE CITY OF BELVIDERE, ILLINOIS, AND RESOURCE MANAGEMENT ASSOCIATES, INC. - PAGE 3

Assessment Center (Captain)

Exercise Design	\$ 1,000.00
Exercise Administration ¹	
For up to five candidates (<i>one day</i>)	\$ 2,500.00

Assessment Center (Lieutenant)

Exercise Design	No Charge
Exercise Administration ²	
For up to five candidates (<i>one day</i>)	\$ 2,500.00
For up to ten candidates (<i>two days</i>)	\$ 5,000.00
For up to fifteen candidates (<i>three days</i>)	\$ 7,500.00

The fees quoted are exclusive of staff travel, lodging (*if necessary*) and meals, which will be billed to the City at actual cost. These costs assume that the City will provide the necessary facilities in which to conduct the written examination and assessment center processes described above.

II. Duties of the City

In consideration of the agreements on the part of the Consultant, the City agrees to:

1. Provide full cooperation by City staff and fire department employees as may be necessary to complete the assigned tasks.
2. Provide the necessary facilities in which to conduct the assessment centers and written examinations.
3. Pay the Consultant within 30 days after submission of monthly invoices for amount due for the services rendered.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their duly authorized officers on the day and year written below.

RESOURCE MANAGEMENT ASSOCIATES, INC.

By: Steve Hale
 Title: Vice President
 Witness: Charles Hale
 Date: 11-17-2020

CITY OF BELVIDERE:

By: _____
 Title: _____
 Witness: _____
 Date: _____

¹Includes candidate orientation, assessor orientation, assessor fees and candidate feedback.

²Includes candidate orientation, assessor orientation, assessor fees and candidate feedback.

Memo

To: Mayor and City Council
From: Brent Anderson, Director of Public Works
Date: 11/17/2020
Re: Biennial Bridge Inspections

Our NBIS biennial bridge inspections are due in 2021. The inspections will be completed by Hampton, Lenzini & Renwick, our IDOT approved bridge manager. The inspections will include the following structures:

State Street	(SN 004-0019)
Newburg Road	(SN 004-3013)
Squaw Prairie Road	(SN 004-3039)
Main Street	(SN 004-7002)
Appleton Road, South	(SN 004-7003)
Appleton Road, North	(SN 004-7004)
Townhall Road Culverts	(SN 004-7005)

FHWA Metric #15 is a new requirement added this year to provide a record of the bridge opening channel be developed and repeated at five-year intervals to monitor long term scour and channel degradation in reference to substructure units.

The cost of the inspections is on a time and material basis, not-to-exceed \$9,400.00. The cost to develop the records of bridge opening will not exceed \$4,200.00. This work will be paid for from Line Item #01-5-360-6140 Engineering Services.

Memo

To: Mayor and City Council
From: Brent Anderson, Director of Public Works
Date: 11/17/2020
Re: Sanitary Sewer Spot Repair – 200 Block of North State Street

We have received the following proposals to complete a spot repair on the 15" sanitary sewer main in the 200 block of North Main Street:

Innovative Underground 2175C Griswold Springs Road Sandwich, IL 60548	\$4,200.00
Performance Pipelining, Inc 1551 W Norris Dr Ottawa, IL 61350	\$5,750.00

I would recommend approval of the proposal from Innovative Underground, in the amount of \$4,200.00, for a 15" sanitary sewer spot repair. This work will be paid for from line item #61-5-820-6040.

Memo

To: Mayor and City Council
From: Mike Drella
cc: City Clerk
Date: November 18, 2020
Re: Business Registration Amendments

I am attaching proposed modifications to the Business Registration portion of the City's municipal code. First, where a proposed business is required to obtain other state or local licenses or permits (for example a Barbers Professions License or a masseuse license), I suggest requiring the applicant to provide a copy of that license or permit to the City. This will help prevent an illegal business form opening within the City.

Second, I suggest removing the requirement of providing sixty (60) days notice to any business that does not have a Business Registration License before enforcement actions can begin. You may recall the attempted enforcement activities with respect to a massage establishment on North State Street that was derailed for a significant amount of time because of this provision. As you know, it has always been the City's position that we attempt to gain compliance without prosecution first. However, the existing time limit tied the City's hands in enforcing its ordinance against an establishment in which an employee had been arrested for prostitution.

Recommended Motion: Motion to amend sections 26-79 and 26-83 to read as set forth in the draft versions attached to the City Attorney's memo of November 18, 2020.

Sec. 26-79. - Business registration license issuance (BRL).

The business registration license shall be issued by the city clerk, upon application, on forms provided by the city clerk. At a minimum, the application shall identify the name of the business, require the property owners' and business' owners' name, address, email address including a home address or outside corporate address, phone number. If the business is operated by a manager (not the owner), then the same contact information is required for the manager. The applicant shall also describe the nature of the proposed business and the type of goods to be offered for sale or services offered.

In the event the proposed business requires another license or permit to operate lawfully, the applicant shall provide copies of any such license or permits when applying for a BRL. The Clerk shall not issue a BRL to any applicant for a BRL unless such all lawfully required and valid permits or licenses are provided.

No fee shall be charged for issuance of a business registration license nor is any background check required. However, any other license and/or fee required by another section (eg' second hand stores etc.) must obtain that license permit and pay the applicable fee.

The business registration license is not transferable and in the event of the sale or transfer of the business, the sale or transfer of a majority of the stock of any person owning the business, or upon the sale or transfer of the majority of the assets of the business {including good will}, a new business registration license must be obtained within 60 days of the sale or transfer by the person then owning or operating the business.

The BRL shall be prominently displayed at the location for which it is issued. The issuance of a BRL shall not relieve the person or business, to whom it is issued, from complying with any other relevant ordinance or statute, including but not limited to the city zoning ordinance. Issuance of the BRL does not guarantee compliance with such other laws and ordinances and it is the responsibility of the person or business to whom the BRL is issued to ensure compliance with such laws and ordinances.

(Ord. No. 361H, § 1(Exh. A), 7-17-17)

Sec. 26-83. - Penalties.

- (a) Any person who operates any business within the city, or any territory subject to its ordinances, without a valid business registration license shall be fined not less than \$100.00 plus court costs or assessments per offense with each day, or part thereof, that a violation exists or continues shall be deemed a separate offense. ~~Prior to assessment of any fine, the city shall provide a business or person a warning that failure to obtain or renew a business registration license may result in fines under this article. If the business or person renews or obtains the business registration license within 60 days of the giving of the warning, no fines shall be assessed.~~
- (b) Any person who operates any business during a period of suspension of the business registration license, or after revocation of the business registration license shall be fined not less than \$500.00 plus court costs per offense with each day, or part thereof, that a violation exists or continues to exist shall be deemed a separate offense.
- (c) The court may, in addition to any other remedy, including the fines above, may order injunctive relief prohibiting operation of any business in violation of this article and may enforce such injunctive relief through contempt proceedings.
- (d) The city may, if an administrative hearing officer is approved by the city council, refer prosecutions of operation of a business without a business registration license, or with a suspended or revoked business registration license, to administrative adjudication in lieu of a proceeding before the circuit court.

(Ord. No. 361H, § 1(Exh. A), 7-17-17)

Nov. 17, 2020

Although I am not in favor of increasing the cap of gaming licenses above 30 establishments, I realize that COVID has negatively impacted our local restaurants.

Since Russell Caldwell was granted approval for a special use for video gaming prior to the 30 establishment limit at the property that can not be developed as originally planned, I would like the Council to grant the ability to honor his pre-cap approval and ~~transfer~~^{transfer} his ~~original~~ ~~emission~~ ability to have video gaming to any of his properties, ~~is~~ pending special use approval.

Wendy Frank
3rd Ward Alderman