

**WASHINGTON POLICE PENSION BOARD
301 WALNUT STREET
WASHINGTON, IL 61571**

NOTICE OF SPECIAL MEETING

NOTICE IS HEREBY GIVEN, that the Washington Police Pension Board will hold a special meeting on December 13, 2022 in the Washington Police Department Training Room at 115 W. Jefferson Street, Washington, IL at 8:30 a.m. for the purpose of discussing and taking action on the developments in regards to the tax levy recommendation.

Joanette Glueck

WASHINGTON POLICE PENSION FUND
Washington Police Department Training Room
115 W. Jefferson, Washington, IL 61571
SPECIAL BOARD MEETING
Tuesday, December 13, 2022 - 8:30 A.M.

AGENDA

1. Call to Order
2. Review Agenda – Deletions or Additions (Discussion Items Only)
3. Public comment
4. Action Items:
 - A. Approval of revised 2022 tax levy recommendation (roll call vote)
 - B. Approval of revised Municipal Compliance Report FYE 4/30/2022
 - C. Approval of revised Police Pension Fund Annual Report FYE 4/30/2022
 - D. Approval of investment recommendations (roll call vote)
5. Discussion Items:
6. Adjournment (roll call vote)

**CITY OF WASHINGTON
POLICE PENSION FUND**

TO: Police Pension Board
FROM: Joanie Baxter, Finance Director *JBB*
DATE: December 6, 2022
SUBJECT: Tax Levy Recommendation 2022 – Revised


The property tax levy for the Police Pension Fund that was made by the Board on November 7, 2022 and then considered by the City Council on November 14, 2022 was based on incomplete audit numbers that were used to determine the actuarial valuation. The audit is now complete and a prior period adjustment was required due to a different interpretation and application of a GASB standard by the new auditors that affected the Police Pension Fund and as such, the actuarial numbers had to be recalculated. The result is that the Police Pension Fund levy increased by an additional \$55,900 in order to meet the required funding and the City Council agreed to reduce the General Corp levy by \$55,900 in order to accommodate this increased levy requirement and keep the proposed levy the same.

The effect of making this adjustment to the Police Pension Fund will be to recognize contribution revenue at a later time which will essentially frontload rather than backload the pension liability requirements.

The revised employer contribution amount is \$797,954 reduced by anticipated Personal Property Replacement Tax of \$32,000 for a recommended tax levy (rounded) of \$766,000. The City Council had first reading of the Ordinance including the Police Pension Fund levy at that amount on December 5th and adoption of the Ordinance is scheduled for December 19th.

This matter will be discussed at the special Police Pension Board meeting on Tuesday, December 13, 2022.

**CITY OF WASHINGTON
POLICE PENSION FUND**

TO: Police Pension Board
FROM: Joanie Baxter, Finance Director 
DATE: December 6, 2022
SUBJECT: Municipal Compliance Report 2022 – Revised

The Municipal Compliance Report was approved on November 7, 2022 and since that time, the audit has been completed and a required adjustment has been made which impacted the Police Pension Fund and ultimately the required tax levy. As such, the Municipal Compliance Report has been revised to reflect the updated actuarial calculations. An overall increase of \$77,889 in the Police Pension Fund property tax levy is necessary to meet the required employer contribution after factoring in the Personal Property Replacement Tax.

This matter will be discussed at the special Police Pension Board meeting on Tuesday, December 13, 2022.

**City of Washington, Illinois
Police Pension Fund**

**House Bill 5088 (Public Act 95-950) - Municipal Compliance Report - Revised
For the Fiscal Year Ending April 30, 2022**

	<u>Current Fiscal Year</u>	<u>Preceding Fiscal Year</u>
Total Assets of the Fund	<u>8,906,855</u>	<u>9,838,568</u>
Estimated Revenues - Next Succeeding Fiscal Year		
Employee Contribution	170,000	
Municipal Contributions	713,100	
Investment Earnings	<u>250,000</u>	
	<u>1,133,100</u>	
Estimated Expenses - Next Succeeding Fiscal Year		
Pay all Pensions and Other Obligations	<u>804,900</u>	
Annual Required Contribution - per Foster & Foster, Actuaries	<u>797,954</u>	
Total Net Income/(Loss) From Investments	<u>(289,129)</u>	<u>1,484,928</u>
Assumed Investment Return	<u>6.75%</u>	<u>6.75%</u>
Actual Investment Return (Smoothed Actuarial Basis)	<u>-2.03%</u>	<u>6.74%</u>
Total Number of Active Members Contributing to Fund	<u>23</u>	
Total Amount Disbursed for Each Type of Pension Benefit		
Regular Retirement Pension	9	535,895
Survivor Pension	4	<u>162,201</u>
Total Pensions		<u>698,096</u>
Funded Ratio	<u>57.90%</u>	<u>61.20%</u>
Unfunded Liability	<u>6,783,749</u>	
Investment Policy	available	

**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 _____ day of _____ 2022.


President _____

Date _____

Secretary _____

Date _____

**CITY OF WASHINGTON
POLICE PENSION FUND**

TO: Police Pension Board
FROM: Joanie Baxter, Finance Director 
DATE: December 9, 2022
SUBJECT: Police Pension Fund Annual Report FYE 4/30/2022 – Revised

Attached is the financial portion of the Annual Report that reflects the changes to the beginning balance due to the prior period audit adjustment as well as the change in current year income.

As indicated, the effect of making this adjustment to the Police Pension Fund will be to recognize contribution revenue at a later time which will essentially frontload rather than backload the pension liability requirements and is an approach being taken by our new auditors.

The revised Annual Report will be filed with the State following approval by the Police Pension Board at the special meeting on Tuesday, December 13, 2022.

ANNUAL STATEMENT
WASHINGTON POLICE PENSION FUND
For Fiscal Year Ending: 4/30/2022
Revenues Statement

1.1	Amount of Ledger Assets at End of Previous Year's Statement:	\$9,838,568.02
1.2	Amount of Ledger Assets at End of Previous Year – Should Coincide with Line 1.1:	\$9,181,050.00
1.3	Adjustment – If Line 1.1 is Different from Line 1.2 (Absolute Value of the Difference of Lines 1.1 and 1.2):	\$657,518.02

From Municipalities

2.1	Current Tax Levy:	\$655,454.00
2.2	All Previous Year's Taxes:	\$0.00
2.3	Illinois Personal Property Replacement Tax:	\$35,259.34
2.4	Contributions from Municipality (in lieu of tax levy):	\$0.00
2.5	Other Revenue Received From Municipality (from detail):	\$30.48
	<u>Detail Text:</u>	<u>Detail Amount:</u>
2.5.1	Interest received on property taxes	\$30.48
3.0	Total Received from Municipality (Sum of Lines 2.1 through 2.5):	\$690,743.82

From Members

4.1	Salary Deductions – Current Year's Service:	\$159,740.62
4.2	Contributions – Prior Year's Service:	\$355.56
4.3	Repayment of Refund(s):	\$15,209.73
4.4	Interest Received from Members:	\$0.00
4.5	Other Revenue Received from Members (from detail):	\$33,650.63
	<u>Detail Text:</u>	<u>Detail Amount:</u>
4.5.1	Portability Contribution from other Municipality	\$31,440.10
4.5.2	Purchase of Military Credit	\$2,210.53
5.0	Total Received from Members (Sum of Lines 4.1 through 4.5):	\$208,956.54

From Investments

6.1	Interest on Deposits in Checking, Money Market, IL Fund, Repurchase Agreements and Other Cash Investments (Total Interest Received and Accrued from Schedule A):	\$34,936.42
-----	--	-------------

ANNUAL STATEMENT
WASHINGTON POLICE PENSION FUND
For Fiscal Year Ending: 4/30/2022

From Investments

6.2	Interest on Certificates of Deposits (Total Interest Received and Accrued from Schedule B):	\$20,483.06	
6.3	Income from State, Local and Corporate Obligations (Difference of (Sum of Total Interest Received and Accrued from Schedule C2, Total Interest Received and Accrued from Schedule C3, and Total Accrual of Discount from Schedule C3) and Total Amortization of Premium from Schedule C3)	\$45,933.05	
6.4	Income from U.S. Government and Agency Obligations (Difference of (Sum of Total Interest Received and Accrued from Schedule D2, Total Interest Received and Accrued from Schedule D3, and Total Accrual of Discount from Schedule D3) and Amortization of Premium from Schedule D3):	\$6,036.24	
6.5	Income from Insurance Company Contracts – General Accounts (Difference of Total Earnings Credited to Account from Schedule E and Surrender Charges Paid from Schedule E):	\$0.00	
6.6	Income from Insurance Company Contracts – Separate Accounts (Difference of Total Earnings Credited to Account from Schedule F and Surrender Charges Paid from Schedule F):	\$0.00	
6.7	Income from Investment Pools (Total Earnings Credited to Account from Schedule G):	\$0.00	
6.8	Gain/Loss from Sales of Securities (Sum of Total Profit or Loss on Sale from Schedule C2, Total Profit or Loss on Sale from Schedule D2, Total Profit or Loss on Sale from Schedule J2, and Total Profit or Loss on Sale From Schedule K2):	\$221,133.35	
6.9	Income from Other Investment Assets (from detail):	\$0.00	
6.10	Unrealized Gains/Losses:	(\$940,178.28)	
6.11	Income/Dividends from Mutual Funds (Sum of Total Income/Dividends from Schedule K2 and Total Income/Dividends from Schedule K3):	\$351,907.91	
6.12	Income/Dividends from Common and Preferred Stocks (Sum of Total Income/Dividends from Schedule J2 and Total Income/Dividends from Schedule J3):	\$0.00	
7.0	Total Income from Investments (Sum of Lines 6.1 through 6.12):		(\$259,748.25)

From Other Sources

8.0	Donations:		\$0.00
9.0	Other Income (from detail):	\$3,557.59	
	<u>Detail Text:</u>	<u>Detail Amount:</u>	
9.0.1	Insurance Proceeds	\$3,557.59	
10.0	Total Income (Sum of Lines 3.0, 5.0, 7.0, 8.0, and 9.0):		\$643,509.70
11.0	Amount Carried Forward (Sum of the Beginning of Year Balance and Line 10.0):		\$9,824,559.70

ANNUAL STATEMENT
WASHINGTON POLICE PENSION FUND
For Fiscal Year Ending: 4/30/2022
Expenses Statement

11.0 **Amount Carried Forward (Sum of the Beginning of Year Balance and Line 10.0):** **\$9,824,559.70**

Pensions and Benefits

12.1	Service Pensions:	\$535,895.47	
12.2	Non-Duty Disability Pensions:	\$0.00	
12.3	Duty Disability Pensions:	\$0.00	
12.4	Occupational Disease Disability Pensions:	\$0.00	
12.5	Surviving Spouse Pensions:	\$162,200.76	
12.6	Children's Pensions:	\$0.00	
12.7	Parents' Pensions:	\$0.00	
12.8	Handicapped Annuitant Pensions:	\$0.00	
12.9	Refund of Contributions:	\$142,355.21	
12.10	Transfers to other Illinois Public Employee Funds or Systems:	\$32,517.38	
13.0	Total Pensions and Benefits Paid (Sum of Lines 12.1 through 12.10):		\$872,968.82

Personal Services

14.1	Salaries and Wages:	\$0.00	
14.2	Group Insurance:	\$0.00	
14.3	Social Security Contributions:	\$0.00	
14.4	Retirement Contributions:	\$0.00	
14.5	Unemployment Insurance:	\$0.00	
14.6	Worker's Compensation:	\$0.00	
15.0	Total Personal Services (Sum of Lines 14.1 through 14.6):		\$0.00

Insurance

16.1	Fiduciary Insurance:	\$3,249.00	
16.2	Surety Bonds:	\$0.00	
16.3	Fidelity Bonds:	\$0.00	

ANNUAL STATEMENT
WASHINGTON POLICE PENSION FUND
For Fiscal Year Ending: 4/30/2022

Insurance

16.4	Liability:	\$0.00	
16.5	Property:	\$0.00	
17.0	Total Insurance Expense (Sum of Lines 16.1 through 16.5):		\$3,249.00

Professional Services

18.1	Actuarial:	\$0.00	
18.2	Auditing:	\$0.00	
18.3	Accounting and Bookkeeping:	\$0.00	
18.4	Medical:	\$0.00	
18.5	Legal Expense:	\$1,400.00	
18.6	Public Stenographer/Court Reporter:	\$0.00	
19.0	Total Professional Services (Sum of Lines 18.1 through 18.6):		\$1,400.00

Investment Expense

20.1	Investment Manager/Adviser Fee:	\$29,121.00	
20.2	Custodial:	\$0.00	
20.3	Investment Research:	\$0.00	
20.4	Safe Deposit and Bank Charges:	\$0.00	
20.5	Broker Commissions:	\$0.00	
20.6	Investment Expense (from detail):	\$0.00	
20.7	Indirect Expenses (from detail):	\$0.00	
21.0	Total Investment Expense (Sum of Lines 20.1 through 20.7):		\$29,121.00

Electronic Data Processing (EDP)

22.1	Equipment Purchases:	\$0.00	
22.2	Supplies:	\$0.00	
22.3	Professional Services:	\$0.00	
22.4	Repairs and Maintenance:	\$0.00	

ANNUAL STATEMENT
WASHINGTON POLICE PENSION FUND
For Fiscal Year Ending: 4/30/2022

Electronic Data Processing (EDP)

22.5	Depreciation:	\$0.00	
23.0	Total Electronic Data Processing (Sum of Lines 22.1 through 22.5):		\$0.00

Equipment

24.1	Equipment Purchases:	\$0.00	
24.2	Equipment Repairs, Rental and Maintenance:	\$0.00	
24.3	Depreciation:	\$0.00	
25.0	Total Equipment Expense (Sum of Lines 24.1 through 24.3):		\$0.00

Other

26.1	Conference/Seminar Fees:	\$4,327.70	
26.2	Association Dues:	\$795.00	
26.3	Travel:	\$0.00	
26.4	Postage:	\$0.00	
26.5	Printing:	\$0.00	
26.6	Supplies:	\$0.00	
26.7	Telecommunications:	\$0.00	
26.8	Election Expense:	\$0.00	
26.9	Education Expense:	\$0.00	
26.10	State of Illinois Compliance Fee – Department of Insurance:	\$1,649.48	
26.11	Other Expense (from detail):	\$4,195.95	
	<u>Detail Text:</u>	<u>Detail Amount:</u>	
26.11.1	Insurance Claim	\$3,557.59	
26.11.2	Miscellaneous Expense	\$637.75	
26.11.3	Rounding	\$0.61	
27.0	Total Other Expenses (Sum of Lines 26.1 through 26.11):		\$10,968.13
28.0	Total Administrative Expenses (Sum of Lines 15.0, 17.0, 19.0, 21.0, 23.0, 25.0, and 27.0):		\$44,738.13

ANNUAL STATEMENT
WASHINGTON POLICE PENSION FUND
For Fiscal Year Ending: 4/30/2022

Other

29.0	Total Expenses (Sum of Lines 13.0 and 28.0):	\$917,706.95
30.0	Fund Balance (Difference of Lines 11.0 and 29.0):	\$8,906,852.75

ANNUAL STATEMENT
WASHINGTON POLICE PENSION FUND
For Fiscal Year Ending: 4/30/2022

Assets Statement

31.1	Cash on Hand:	\$0.00
31.2	Deposits in Money Market, Checking, N.O.W., IL Fund, Repurchase Agreements, etc. (Total Balance End of Year from Schedule A):	\$1,982,089.92

Investments

		<u>Actuarial Funding Value:</u>	<u>Market Value:</u>
32.1	Certificates of Deposit (Total Balance End of Year from Schedule B):	\$668,032.09	\$668,032.09
32.2	State, Local and Corporate Obligations (Total Value from Schedule C3):	\$1,646,194.83	\$1,601,429.28
32.3	U.S. Government and Agency Obligations (Total Value from Schedule D3):	\$691,064.24	\$673,962.43
32.4	Insurance Company Contracts – General Accounts (Total Balance End of Year from Schedule E):	\$0.00	\$0.00
32.5	Insurance Company Contracts – Separate Accounts (Total Balance End of Year from Schedule F):	\$0.00	\$0.00
32.6	Pooled Investment Accounts (Total Balance End of Year from Schedule G):	\$0.00	\$0.00
32.7	Common and Preferred Stocks (Total Balance End of Year from Schedule J3):	\$0.00	\$0.00
32.8	Mutual Funds (Total Balance End of Year from Schedule K3):	\$3,952,896.28	\$3,952,896.28
33.0	Total Investments (Sum of Lines 32.1 through 32.8):	\$6,958,187.44	\$6,896,320.08

Receivables

34.1	Taxes Receivable:	\$0.00	
34.2	Accrued Past Due Interest:	\$12,895.99	
34.3	Salary Deductions:	\$18,856.36	
34.4	Taxes Received – Not Distributed:	\$0.00	
34.5	Due from Members for Prior Services:	\$0.00	
34.6	Other Receivables (from detail):	\$197.65	
	<u>Detail Text:</u>	<u>Detail Amount:</u>	
34.6.1	Purchased Interest	\$197.65	
35.0	Total Receivables (Sum of Lines 34.1 through 34.6):		\$31,950.00
36.0	Equipment:	\$0.00	
37.0	Other Assets (from detail):	\$0.00	

ANNUAL STATEMENT
WASHINGTON POLICE PENSION FUND
For Fiscal Year Ending: 4/30/2022

Receivables

		<u>Actuarial Funding Value:</u>	<u>Market Value:</u>
38.0	Total Assets (Sum of Lines 31.1, 31.2, 33.0, 35.0, 36.0, and 37.0):	\$8,972,227.36	\$8,910,360.00

Liabilities

39.1	Pensions and Benefits Due and Unpaid:	\$0.00	
39.2	Expenses Due and Unpaid	\$700.00	
39.3	All Other Liabilities (from detail):	\$2,807.25	
	<u>Detail Text:</u>	<u>Detail Amount:</u>	
39.3.1	Due to General Fund	\$2,807.25	
40.0	Total Liabilities (Sum of Lines 39.1 through 39.3):		\$3,507.25
		<u>Actuarial Funding Value:</u>	<u>Market Value:</u>
41.0	Net Present Assets, as per Balance (Difference of Lines 38.0 and 40.0):	\$8,968,720.11	\$8,906,852.75