

VILLAGE OF BARRINGTON HILLS

Finance Committee NOTICE OF MEETING



Thursday, July 23, 2015 ~ 2:00 pm
112 Algonquin Road

AGENDA

1. Organizational
 - 1.1 Call to Order
 - 1.2 Roll Call
2. Acceptance of Minutes
3. 2nd Quarter Review [Information Only]
4. Transfer of Assets from IMRF to Police Pension Fund [Information Only]
5. Police Pension Fund Benchmarking [Discussion]
6. [Vote] Procurement Policy Recommendation
7. Public Comments
8. Adjournment

Chairman: Bryan Croll

NOTICE AS POSTED

Chairman Selman called the meeting to order at 2:00 pm. Roll Call.

Members Present

Karen Selman, Chairman
Fritz Gohl
Patty Meroni
President McLaughlin (ex-officio)

Others Present

Robert Kosin, Director of Administration
Anthony Cervini, Sikich, LLP
Fred Lantz, Sikich, LLP
Mike Mackintire, William Blair, LLP
Jim Kolbusz, Graystone Consulting
John Peterson, William Blair, LLP
Todd Schroeder, Lauterbach & Amen
Chief Richard Semelsberger

MINUTES

Reviewed minutes from October 23, 2014 meeting. Discussion on the Cuba Township call-out charges and agreement of services. Motioned by Trustee Meroni, seconded by Trustee Gohl, and approved.

FY 2014 AUDIT

Anthony Cervini and Fred Lantz from Sikich, LLP joined the meeting to present the audit findings. They began with GASB #67 pension reporting and the required criteria for 2015. It presents a liability when earned. The MDA received a good report, according to the auditors. Financial statement was net positive. As for fund balances, it is their opinion that the Village's cash position is fine. The statutory 2040 target for the pension fund is 90%. The police pension will have its own disclosure. The net pension liability is 54.6%. Overall, the Village was in full compliance with no uninsured deposit and no risk custodial. Comments were made about the employer contributions to the pension.

The Sikich representatives then reviewed the Auditors' Letter. Items requiring communication included GASB 67 and journal entry adjustments. There were adjustments made to tax revenue in prior fiscal years. In terms of material weaknesses, two action items were recommended. The manual should be formalized and pay period adjustments made.

Some difficulties encountered included prior year bank reconciling items, available technology, and the use of interactive account groups. Additionally, the industry is increasingly utilizing accruals methods. There was further discussion of GASB 68 and the future value measurements related to GASB 72.

POLICE PENSION BOND ISSUE

Mike Mackintire and John Peterson of William Blair, Jim Kolbusz of Graystone Consulting, and Todd Schroeder of Lauterbach & Amen joined the meeting for the discussion of the police pension bond issue. President McLaughlin noted his professional experience in this area. A memo detailing a correction to the \$6.8 million bond issue was distributed. According to actuarial analysis, the pension will be fully-funded by 2040. This assumes the current number of annuitants remains stable. Mackintire and Peterson distributed a document detailing the methodology of their actuarial analysis. The current statutory target is 90% funded by 2040. Lauterbach & Amen will investigate the IMRF transfer. Bond issue discussion continued and detailed that the Village should be debt-free by 2020. There should be no limit on future credit charges, and the legislature may provide an extension. There was some discussion of the existing and pre-paid fund performance.

1ST QUARTER REVIEW

A presentation was made of the expenses in the first quarter; no action was required or taken.

PUBLIC COMMENTS

Don Contalupo expressed concern regarding the pension expenses of the fire district.

There being no further business, Trustee Gohl motioned and Trustee Meroni seconded to adjourn the meeting at 4:30 pm.

Adjournment.

Robert Kosin
Recording Secretary

VILLAGE OF BARRINGTON HILLS
FY 2015
2ND QUARTER REVIEW-REVENUE

	<u>Y-T-D</u> <u>PERCENTAGE</u> <u>COLLECTED</u>
Property Taxes	54%
State Sales & Use	55%
State Income Tax	47%
Personal Prop Replacement Tax	58%
Utility Taxes	58%
Franchise Fees	41%
Traffic Fines	50%
Building Permit Fees	32%
Overweight Permit Fees	48%

VILLAGE OF BARRINGTON HILLS
FY 2015
2nd QUARTER REVIEW-EXPENDITURES
THROUGH JUNE 30, 2015

		FISCAL	Y-T-D	Y-T-D	Y-T-D			
	GENERAL FUND	YEAR						
		BUDGET	ACTUAL	BUDGET	VARIANCE		EXPLANATION OF VARIANCE	
ACCT#	Administration Department							
100150203	Office/Comp/Software Supplies	\$ 4,500.00	\$ 3,734.41	\$ 2,250.00	\$ (1,484.41)	As needed basis		
100150204	Computer Equipment	4,000.00	959.72	2,000.00	1,040.28	Hardware add-on to be expended by year enc		
100150207	Telephone Lease/Purchase	2,500.00	363.76	1,250.00	886.24	As needed basis		
100150210	Longevity Pay-Clerk	1,250.00	-	625.00	625.00	No longer applicable in current fiscal		
100150213	Tuition/Travel Expense	8,000.00	1,662.53	4,000.00	2,337.47	As needed basis		
100150214	Newsletter/Website	12,300.00	4,048.22	6,150.00	2,101.78	Newsletter mailing expected in July		
100150215	Computer Accessories	250.00	-	125.00	125.00	As needed basis		
100150216	Administrative Vehicle	3,500.00	1,139.40	1,750.00	610.60	As needed basis		
100150218	Postage Expense	3,500.00	784.31	1,750.00	965.69	As needed basis		
100150219	Messenger Service	700.00	-	350.00	350.00	As needed basis		
100150222	Longevity Pay-Treasurer	500.00	-	250.00	250.00	To be expended in August		
100150231	Longevity Pay-Administrator	2,000.00	-	1,000.00	1,000.00	To be expended in July		
100150240	Communications Committee	500.00	-	250.00	250.00	As needed basis		
100150242	Overtime	1,000.00	-	500.00	500.00	Director of Communications payable overtime not incurred to date		
100150400	Special Events	5,000.00	50.00	2,500.00	2,450.00	For Fall Festival - Barrington Parade charges incurred to date		
100150401	Merchant Fees-Credit Card Fees	25.00	113.84	12.50	(101.34)	Late charges incurred		
				Total	\$ 11,906.31			
	Building Department							
100250303	Printing and Supplies	\$ 1,000.00	\$ 1,567.68	\$ 500.00	\$ (1,067.68)	Underbudgeted-unanticipated plan scans		
100250304	Field/Office Equipment	700.00	104.95	350.00	245.05	As needed basis		
100250305	Vehicle Expenses	100.00	-	50.00	50.00	As needed basis		
100250309	Records Management	5,000.00	3,735.00	2,500.00	(1,235.00)	Will not exceed budgeted-quarterly billing		
100250310	Surveying Services	3,000.00	-	1,500.00	1,500.00	As needed basis		
100250311	Overtime	1,000.00	-	500.00	500.00	Mgr. of Municipal Svcs. payable overtime not incurred to date		
				Total	\$ (7.63)			
	Health Services							
100350401	Animal Services	\$ 2,000.00	\$ 659.30	\$ 1,000.00	\$ 340.70	As needed basis		
100350403	Board of Health	3,000.00	4,170.00	1,500.00	(2,670.00)	Underbudgeted-new septic code		
100350405	Potable Water	2,500.00	-	1,250.00	1,250.00	As needed basis		
				Total	\$ (1,079.30)			
	Legal Services							
100450504	Other Legal Fees	\$ 40,000.00	\$ 5,064.00	\$ 20,000.00	\$ 14,936.00	As needed basis		
100450506	Expert Witnesses	8,000.00	-	4,000.00	4,000.00	As needed basis		
100450508	Litigation Expenses	100,000.00	10,540.00	50,000.00	39,460.00	Sears matter closed/as needed basis		
100450509	Labor Relations	60,000.00	12,432.55	30,000.00	17,567.45	MAP negotiations in progress		
100450510	Planning/Zoning	35,000.00	9,916.00	17,500.00	7,584.00	As needed basis		
100450511	FOIA Records Management	50,000.00	46,550.10	25,000.00	(21,550.10)	Underbudgeted-\$7,900 attributable to FY 14 paid Bond Dickson in May, 2015		
				Total	\$ 61,997.35			

VILLAGE OF BARRINGTON HILLS
FY 2015
2nd QUARTER REVIEW-EXPENDITURES
THROUGH JUNE 30, 2015

		FISCAL				
	GENERAL FUND	YEAR	Y-T-D	Y-T-D	Y-T-D	EXPLANATION OF VARIANCE
ACCT#		BUDGET	ACTUAL	BUDGET	VARIANCE	
	Public Safety					
100550215	Restit. Exchange & Bond Transf	\$ 1,000.00	\$ 150.00	\$ 500.00	\$ 350.00	As needed basis - if situation arises to be expended
100550602	Petroleum Supplies	98,000.00	20,250.66	49,000.00	28,749.34	Fluctuation of gas prices
100550614	Reinstallation of Radios	4,200.00	2,997.90	2,100.00	(897.90)	Upgrades mostly completed
100550616	Radar Repairs	500.00	-	250.00	250.00	As needed basis
100550617	Security Maintenance	9,000.00	2,354.00	4,500.00	2,146.00	plan to purchase replacement video logger
100550618	Jail Services Contract	750.00	-	375.00	375.00	As needed basis
100550625	IT Consultant	35,000.00	9,950.59	17,500.00	7,549.41	New vendor -if emergency call out amount included in budget
100550630	Marking Vehicles	1,200.00	1,350.00	600.00	(750.00)	Underbudgeted-no further expense anticipated
100550641	Training Reimbursements	17,400.00	4,717.35	8,700.00	3,982.65	To be expended by year end
100550642	Shooting Program/Armory	7,000.00	-	3,500.00	3,500.00	Ammo to be purchased in 3rd quarter
100550651	Vehicular Expenses	4,500.00	895.85	2,250.00	1,354.15	As needed basis
100550652	Employee Recognition/Awards	1,200.00	210.24	600.00	389.76	As needed basis
100550655	Office Supplies	5,500.00	1,281.61	2,750.00	1,468.39	As needed basis
100550657	Dispatch Consolidation Expense	-	29,073.37	-	(29,073.37)	Appropriated for FY 15, consolidation not known when completed budget
100550661	Police Supplies	10,000.00	2,577.31	5,000.00	2,422.69	As needed basis
100550662	Towing Expenses	750.00	35.00	375.00	340.00	As needed basis
100550663	Recruitment/Promotional	3,000.00	-	1,500.00	1,500.00	As needed basis
100550665	Professional Services Counseling	5,000.00	-	2,500.00	2,500.00	As needed basis
100550667	Drug/Public Education Expenses	1,000.00	88.95	500.00	411.05	To be expended by year end
100550670	Furniture & Equipment	3,000.00	840.26	1,500.00	659.74	To be expended by year end
100550672	Public Safety Equipment	8,000.00	-	4,000.00	4,000.00	To be expended by year end
100550673	Lease Computer Aided Dispatch	29,100.00	-	14,550.00	14,550.00	CAPERS to be expended in 3rd quarter
100550677	Live-Scan Monthly Fees	5,123.00	4,983.00	2,561.50	(2,421.50)	No further activity anticipated
				Total	\$ 43,355.41	
	Insurance					
100650902	Wellness Reimbursements	\$ 2,400.00	\$ 600.00	\$ 1,200.00	\$ 600.00	Less than anticipated requests paid to date
100650911	Asset Inventory	12,358.00	1,154.00	6,179.00	5,025.00	Bulk of expense to be paid in 4th quarter
				Total	\$ 5,625.00	
	Buildings and Grounds					
100751001	Building Improvements	\$ 20,000.00	\$ -	\$ 10,000.00	\$ 10,000.00	No activity to date-to be expended by year end
100751002	Furniture and Equipment	5,000.00	-	2,500.00	2,500.00	Expect to replace furnace in MacArthur Room
100751003	Interior Bldg Maintenance	36,500.00	10,248.69	18,250.00	8,001.31	Seasonal/mowing/blockhouse gravel
100751004	Exterior Bldg Maintenance	20,000.00	5,227.28	10,000.00	4,772.72	As needed basis-less HVAC repair vs. prior year
100751005	Grounds Maintenance	8,000.00	2,625.00	4,000.00	1,375.00	To be expended by year end
100751006	Contractual Services	5,000.00	478.93	2,500.00	2,021.07	As needed basis
100751007	Parking Lot Maintenance	4,000.00	340.00	2,000.00	1,660.00	To be expended by year end-lights and sweeping
100751009	Landscape Restoration	27,000.00	8,800.00	13,500.00	4,700.00	Planting beds and tree care/spring and fall cleanup
100751010	Landscape Irrigation	1,500.00	431.45	750.00	318.55	Plan to turn off sprinkler system within next quarter
100751011	Snow Removal	15,000.00	4,562.50	7,500.00	2,937.50	Weather dependent-as needed
100751098	Fire Station Maintenance	2,500.00	2,492.77	1,250.00	(1,242.77)	Unanticipated septic/lift station/plumbing repairs
				Total	\$ 37,043.38	

VILLAGE OF BARRINGTON HILLS
FY 2015
2nd QUARTER REVIEW-EXPENDITURES
THROUGH JUNE 30, 2015

		FISCAL	Y-T-D	Y-T-D	Y-T-D			EXPLANATION OF VARIANCE
	GENERAL FUND	YEAR						
ACCT#		BUDGET	ACTUAL	BUDGET	VARIANCE			
	Zoning and Planning							
100850801	Minutes-Planning & ZBA	\$ 8,000.00	\$ 884.82	\$ 4,000.00	\$ 3,115.18			Audio recordings replace transcripts
100850802	Supplies/GIS/Printing	38,000.00	11,285.95	19,000.00	7,714.05			As needed basis
100850803	Engineering Services	5,000.00	3,950.50	2,500.00	(1,450.50)			As needed basis
100850804	Subdivision Review/Recording	5,000.00	-	2,500.00	2,500.00			No activity to date
100850808	Professional Consultants	5,000.00	145.00	2,500.00	2,355.00			As needed basis
100850840	Equestrian Commission	100.00	-	50.00	50.00			As needed basis
100850845	Development Commission	100.00	-	50.00	50.00			As needed basis
				Total	\$ 14,333.73			
				GENERAL FUND TOTAL	\$ 173,174.25			
	POLICE PROTECTION FUND							
200051111	Vacation Compensation	\$ 10,000.00	\$ -	\$ 5,000.00	\$ 5,000.00			MAP #576 Contract provision
200051108	Educational Benefits	4,000.00	-	2,000.00	2,000.00			As needed basis
				Total	\$ 7,000.00			
	AUDIT FUND							
400051302	Hardware/Software Expense	\$ 3,500.00	\$ 2,755.68	\$ 1,750.00	\$ (1,005.68)			Annual license paid in first quarter, customization invoice to be paid in 3rd Qtr
400051303	Finance Consulting	550.00	2,800.00	275.00	(2,525.00)			Unanticipated request for amortization schedules re: PPF bonding
				Total	\$ (3,530.68)			
	ROADS AND BRIDGES FUND							
900050701	Road Maintenance Contracts	\$ 986,846.01	\$ 4,955.43	\$ 493,423.01	\$ 488,467.58			Work to begin mid-August, anticipated to be expended by year end
900050705	Drain Management	120,000.00	93,018.86	60,000.00	(33,018.86)			Merri Oaks Drainage project completed, 1-2 small drainage projects by year end
900050707	Road Striping	1,000.00	-	500.00	500.00			As needed basis
900050708	Equipment Maintenance	4,000.00	-	2,000.00	2,000.00			If equipment vandalized/destroyed funds for repair/replacement
900050710	Equipment Purchases	2,000.00	-	1,000.00	1,000.00			As needed basis
900050713	Cuba Road Bridge Expenses	160,000.00	-	80,000.00	80,000.00			Subject to IDOT approval to begin project
				Total	\$ 538,948.72			
	E 911 FUND							
920050015	Purchase New Equipment	\$ 30,000.00	\$ -	\$ 15,000.00	\$ 15,000.00			Call logger no longer needed
920050019	Maintain Equipment	17,500.00	-	8,750.00	8,750.00			As needed basis
920050020	Other Expenses	3,200.00	-	1,600.00	1,600.00			As needed basis
				Total	\$ 25,350.00			
	MOTOR FUEL TAX FUND							
950050100	Motor Fuel Tax Expenses	\$ 100,000.00	\$ -	\$ 50,000.00	\$ 50,000.00			Work to begin mid-August, anticipated to be expended by year end
				Total	\$ 50,000.00			
	DRUG/GANG/DUI FUND							
980050000	Drug/Gang/DUI Expenses	\$ 12,000.00	\$ 3,588.50	\$ 6,000.00	\$ 2,411.50			To be expended by year end
				Total	\$ 2,411.50			
				TOTAL YTD BUDGET SURPLUS	\$ 793,353.79			

teve Earnhardt <SEarnhardt@lauterbacham
to me, President, Robert, Todd

May 15

Hello,

The attached GASB disclosure for the Village of Barrington Hills provides some insight regarding the changes after the transition of the Police officers to the Pension Fund. Please note, on the 3rd page, the significant decrease in Annual Pension Cost, Actuarial Accrued Liability, and Covered Payroll from 12/31/03 to 12/31/04. Additionally, you can see the Actuarial Value of Assets decreases by approximately the same amount of money the IMRF sent to the Pension Fund when it was established.

Hopefully this clears up some of the factual information regarding the impact on the Village's IMRF funding after the transition to the Police Pension Fund.

Thanks,

Stephen Earnhardt, CPA

Lauterbach & Amen, LLP
27W457 Warrenville Road
Warrenville, IL 60555
Tel (630) 393-1483
Fax (630) 393-2516
searnhardt@lauterbachamen.com
www.lauterbachamen.com

PLEASE

KEEP THIS GASB 27 FOOTNOTE DISCLOSURE STATEMENT FOR THE AUDITORS

Village of Barrington Hills
Joanne M. Sladek
112 Algonquin Rd
Barrington Hills IL 60010



Illinois Municipal Retirement Fund

Suite 500 2211 York Road Oak Brook IL 60523-2337

Service Representatives 1-800-ASK-IMRF (1-800-275-4673)

www.imrf.org

Village of Barrington Hills

Date: April 10, 2006

Employer Number: 04076
REG.

GASB Statement Number 27 Footnote Disclosures Defined Benefit Pension Plan

This letter is intended to provide your governmental unit with pension information required in the Notes to Financial Statements for your next annual financial report. The paragraphs below are patterned after the illustration shown on pages 127-130 of the Governmental Accounting Standards Board Statement No. 27. This statement has classified the Illinois Municipal Retirement Fund as an Agent-Multiple-Employer Public Employee Retirement System.

The EMPLOYER's defined benefit pension plan, Illinois Municipal Retirement (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly.

IMRF issues a financial report that includes financial statements and required supplementary information. The report may be obtained at www.imrf.org/pubs/pubs_homepage.htm or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Employees participating in IMRF are required to contribute 4.50 % of their annual covered salary. The member rate is established by state statute. The EMPLOYER is required to contribute at an actuarially determined rate. The employer rate for calendar year 2005 was 9.95 % of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The amortization period at December 31, 2005 was 27 years.

For December 31, 2005, the EMPLOYER's **annual pension cost** of \$67,895. was equal to the EMPLOYER'S required and actual contributions. The required contribution was determined as part of the December 31, 2003 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor. The assumptions used for the 2005 actuarial valuation were based on the 2002 - 2004 experience study.

Village of Barrington Hills
EMPLOYER NUMBER: 04076R

TREND INFORMATION

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/05	67,895	100%	\$0
12/31/04	94,320	100%	0
12/31/03	132,595	100%	0
12/31/02	117,471	100%	0
12/31/01	137,489	100%	0
12/31/00	145,269	100%	0
12/31/99	140,771	100%	0
12/31/98	146,340	100%	0
12/31/97	143,626	100%	0
12/31/96	131,604	100%	0

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
12/31/05	3,168,471	1,770,600	(1,397,871)	178.95%	682,359	0.00%
12/31/04	3,070,723	1,752,810	(1,317,913)	175.19%	633,535	0.00%
12/31/03	3,516,177	3,944,070	427,893	89.15%	1,758,561	24.33%
12/31/02	3,554,790	3,670,832	116,042	96.84%	1,678,151	6.91%
12/31/01	3,514,362	3,336,436	(177,926)	105.33%	1,638,719	0.00%
12/31/00	3,145,425	2,935,823	(209,602)	107.14%	1,517,966	0.00%
12/31/99	2,606,641	2,625,265	18,624	99.29%	1,385,545	1.34%
12/31/98	2,169,440	2,572,975	403,535	84.32%	1,384,483	29.15%
12/31/97	1,727,143	2,282,111	554,968	75.68%	1,370,092	40.51%
12/31/96	1,355,217	1,917,020	561,803	70.69%	1,246,248	45.08%

On a market value basis, the actuarial value of assets as of December 31, 2005 is \$3,207,518. On a market basis, the funded ratio would be 181.15%.

***Digest of Changes**

The actuarial assumptions used to determine the actuarial accrued liability for 2005 are based on the 2002-2004 Experience Study.

The principal changes were:

- The 1994 Group Annuity Mortality implemented.
- For Regular members, fewer normal and more early retirements are expected to occur.

Steve Earnhardt <SEarnhardt@lauterbacham
to me, Todd, Robert, Martin

May 14

Hello All,

Based on our research and discussion with the IMRF, here is where we stand today. I received the attached document from the IMRF which provides details of the original contribution from the IMRF to establish the Police Pension Fund. It appears as though only the employee contributions were remitted to the Police Pension Fund, while and Employer contributions remained in the IMRF for the purposes of paying future benefits for VOBH retirees.

An IMRF staff member explained that the IMRF Statute was amended recently (PA 98-729 effective 07/1/04) to allow for some employer money to go towards the establishment of a new Police/Fire Pension Fund. Obviously, this does not help the VOBH.

Also attached is the 2005 DOI Actuarial Valuation report, which is the first valuation performed as the Fund was established 05/01/2004. As you can see, the Fund was already underfunded by \$5.3M in year one. This reflects an underfunding amount which was calculated using older methods, older mortality tables, and a higher than current investment return assumption. In short, the Fund could be in much worse shape if it weren't for the Village's pro-active approach towards funding over the past 10 years.

Given these facts, we plan on doing some additional research into how the IMRF reports the Funding status of other municipalities in order to see if there is additional insights we can provide.

If you have any additional questions regarding this matter, please feel free to let Todd or me know.

Thanks,

Stephen Earnhardt, CPA

Lauterbach & Amen, LLP
27W457 Warrenville Road
Warrenville, IL 60555
Tel (630) 393-1483
Fax (630) 393-2516
searnhardt@lauterbachamen.com
www.lauterbachamen.com



Illinois Municipal Retirement Fund

Suite 500 2211 York Road Oak Brook IL 60523-2337

Service Representatives 1-800-ASK-IMRF

www.imrf.org

July 23, 2004

EMPLOYER
CORRES. FILE

ER 4076

Alexander Fernandez, President
Village of Barrington Hills Police Pension Fund Board
112 Algonquin Road
Barrington Hills, IL 60010

Re: IMRF Form A-19, Application For Transfer of Employee Contributions

Dear Officer Fernandez:

We have enclosed a check in the amount of \$427,839.37, covering the transfer of employee contributions for 17 police officers and Police Chief Clauser. This is in response to receipt of the Village of Barrington Hills' IMRF Form A-19, Application for Transfer of Employee Contributions, which IMRF received June 18, 2004. Please note that IMRF is recognizing May 1, 2004 as the new police pension fund's formation date.

We have attached a list identifying the 18 former IMRF members and their corresponding transferred IMRF contributions. These member contributions were recognized as made under the Internal Revenue Code's 414(h) tax-deferral plan. These contributions were not taxed when the member made them and are therefore subject to federal income tax when paid as a benefit.

Lastly we wish to advise you of specific considerations which may affect a few of your officers. They are as follows:

Forfeited IMRF Service

Any IMRF service credit previously forfeited by acceptance of a refund of contributions can not be reinstated unless the officer returns to participating employment under an IMRF employer or an Illinois Reciprocal Retirement system, and contributes to either IMRF or the reciprocal system for a minimum of two years. Service that was rendered as a Village of Barrington Hills police officer and reinstated subsequent to the effective date of the Police Pension Fund can not be transferred to the police pension fund. *This situation does not apply to any of your officers.*

Non-police Service remaining under the Village

Officers who have non-police service or part-time police service remaining with the Village are not eligible to receive a refund of those contributions. This also applies to additional service they may have under any other IMRF employer. Officers with service remaining under the Village are eligible for a refund of their contributions under all IMRF employers upon termination of employment with the Village. *This situation does not apply to any of your officers.*



Illinois Municipal Retirement Fund

Suite 500 2211 York Road Oak Brook IL 60523-2337

Service Representatives 1-800-ASK-IMRF

www.imrf.org

July 23, 2004

Alexander Fernandez, President
Village of Barrington Hills Police Pension Fund Board
112 Algonquin Road
Barrington Hills, IL 60010

Transfer of IMRF contributions to the Village of Barrington Hills Police Pension Fund are as follows.
All contributions are considered tax-deferred.

<u>Member's Name</u>	<u>Soc. Sec. No.</u>	<u>Contributions</u>	<u>Service</u>	<u>Coverage Period</u>
Baird, Brian D.		\$ 5,294.60	2 yr. 7 mo.	10/2001 – 04/2004
Biancalana, Bruce J.		\$12,074.31	5 yr. 7 mo.	10/1998 – 04/2004
Borck, Todd M.		\$ 9,165.49	4 yr. 1 mo.	04/2000 – 04/2004
Caputo, Dominic V.		\$36,492.90	(*) 17 yr. 10 mo.	06/1986 – 04/2004
Clauser, Frederick J.		\$17,144.02	4 yr. 9mo.	08/1999 – 04/2004
Colditz, Joseph S.		\$14,833.33	5 yr. 7 mo.	10/1998 – 04/2004
Fernandez, Alexander		\$22,674.40	9 yr. 4 mo.	01/1995 – 04/2004
Gallagher, Michael		\$41,205.91	25 yr. 7 mo.	10/1978 – 04/2004
Hammelmann, Gary		\$38,785.28	21 yr. 2 mo.	03/1983 – 04/2004
Kann, David M.		\$ 9,339.65	4 yr. 1 mo.	04/2000 – 04/2004
Montemayor, Michael		\$18,494.99	7 yr. 1 mo.	04/1997 – 04/2004
Murphy, Michael N.		\$43,643.58	18 yr. 3 mo.	02/1986 – 04/2004
Prinner, Terry L.		\$38,365.53	24 yr. 10 mo.	07/1979 – 04/2004
Riedel, Ronald W.		\$16,455.21	7 yr. 2 mo.	03/1997 – 04/2004
Schuld, Alfred W.		\$40,317.54	30 yr. 0 mo.	05/1974 – 04/2004
Semelsberger, Rich.		\$34,346.66	(**) 14 yr. 11 mo.	05/1989 – 04/2004
Stokes, Erik E.		\$11,513.03	4 yr. 10 mo.	07/1999 – 04/2004
Underwood, Curt A.		\$17,692.94	7 yr. 2 mo.	03/1997 – 04/2004

* (No svc. 08/2000)

** (No svc. 11/2000)



Illinois Municipal Retirement Fund

Suite 500 2211 York Road Oak Brook IL 60523-2337

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July 23, 2004

Alexander Fernandez, President
Village of Barrington Hills Police Pension Fund Board
Barrington Hills, IL 60010

Re: IMRF Form A-19, Application For Transfer of Employee Contributions

Other IMRF Service Credit

Officers who do not have any service remaining under the Village but who have service from previous employment rendered under *another* IMRF employer may be eligible for a refund of those contributions. Eligibility to receive a refund is contingent upon the member having no IMRF service remaining on deposit from employment rendered with the Village of Barrington Hills. This applies to Officer David M. Kann and Officer Erik E. Stokes.

We hope we have been of service and if you have any questions, please feel free to contact me at (630) 472-9756, or at dvalentovich@imrf.org

Sincerely,

Denise C. Valentovich
Supervisor - Past Service Unit

Enclosure

BARRINGTON HILLS POLICE PENSION FUND
 VALUATION BALANCE SHEET
 01/05/2007 04:30:12

SHOWING ASSETS AND LIABILITIES OF THE FUND IN
 ACCORDANCE WITH ACTUARIAL RESERVE REQUIREMENTS

AS OF APRIL 30, 2005

NET PRESENT ASSETS.....	\$	587,520
DEFERRED ASSET (UNFUNDED ACCRUED LIABILITY).....		5,325,230
TOTAL ASSETS.....	\$	5,912,750

LIABILITIES

RESERVES FOR ANNUITIES AND BENEFITS IN FORCE

PRESENT VALUE OF -			
SERVICE RETIREMENT ANNUITIES.....	2 INDIVIDUALS	\$ 1,635,616	
DISABILITY ANNUITIES.....	1 INDIVIDUALS	650,094	
WIDOWS AND PARENTS ANNUITIES.....	0 INDIVIDUALS		0
CHILDRENS ANNUITIES.....	0 INDIVIDUALS		0
DEFERRED ANNUITIES.....	0 INDIVIDUALS		0
HANDICAPPED ANNUITIES.....	0 INDIVIDUALS		0
TOTAL.....		\$	2,285,710
ACCRUED LIABILITIES FOR ACTIVE PARTICIPANTS.....	18 INDIVIDUALS	\$	3,627,040
SURPLUS.....			0
TOTAL LIABILITIES AND SURPLUS.....		\$	5,912,750

THIS REPORT IS PROVIDED TO YOU AS PART OF THE PUBLIC PENSION DIVISION
 ADVISORY SERVICES UNDER SECTION 1A-106 OF THE ILLINOIS PENSION CODE.

SCOTT J. BRANDT
 STATISTICAL SERVICES, PUBLIC PENSION DIVISION
 ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATI
 DIVISION OF INSURANCE

BARRINGTON HILLS POLICE PENSION FUND
ACTUARIALLY DETERMINED TAX LEVY
01/05/2007 04:30:12

ACTUARIALLY DETERMINED AMOUNT TO PROVIDE THE EMPLOYER
NORMAL COST BASED ON THE ANNUAL PAYROLL OF ACTIVE
PARTICIPANTS AS OF APRIL 30, 2005. \$ 204,243

PERCENT OF EMPLOYER NORMAL COSTS TO TOTAL ANNUAL
SALARIES OF \$ 1,136,254 IS 17.970%.

PERCENT OF TOTAL NORMAL COSTS TO TOTAL ANNUAL
SALARIES OF \$ 1,136,254 IS 27.880%.

AMOUNT NECESSARY TO AMORTIZE THE UNFUNDED ACCRUED
LIABILITY OF \$ 5,325,230 AS DETERMINED
BY THE STATE OF ILLINOIS DEPARTMENT OF FINANCIAL AND
PROFESSIONAL REGULATION OVER THE REMAINING 39.0027
YEARS AS CONTEMPLATED BY SECTION 3-127 OF THE ILLINOIS
PENSION CODE. 178,817

CREDIT FOR SURPLUS 0

TOTAL SUGGESTED AMOUNT OF TAX LEVY TO ARRIVE AT
THE ANNUAL REQUIREMENTS OF THE FUND AS CONTEMPLATED
BY SECTION 3-125 OF THE ILLINOIS PENSION CODE. *\$ 383,060

*THE ABOVE FIGURE IS THE SUGGESTED AMOUNT WHICH SHOULD BE OBTAINED BY
THE FUND FROM THE MUNICIPALITY EXCLUSIVE OF ANY OTHER ITEMS OF INCOME,
SUCH AS, INTEREST ON INVESTMENTS, CONTRIBUTIONS FROM PARTICIPANTS, ETC.
THESE ITEMS HAVE ALREADY BEEN TAKEN INTO CONSIDERATION IN ARRIVING AT
THIS AMOUNT.

ACTUARIAL INFORMATION

FUNDING METHOD USED	ENTRY AGE NORMAL COST
AMORTIZATION METHOD USED	LEVEL PERCENTAGE OF PAYROLL IN ACCORDANCE WITH SEC 3-127 OF THE IL PENSION CODE.
INTEREST RATE ASSUMPTION	7.0%
MORTALITY RATE ASSUMPTION	1971 GROUP ANNUITY
DECREMENT ASSUMPTION OTHER THAN MORTALITY	EXPERIENCE TABLES
SALARY PROGRESSION ASSUMPTION	5.5%
STATUS OF SOCIAL SECURITY IN ASSUMPTION	NONE

THE ATTAINED AGE AT TIME OF DISABILITY OR RETIREMENT, SEX, ANNUAL
SALARY OR PENSION, AND COMPLETED YEARS OF SERVICE OF EACH INDIVIDUAL
PARTICIPANT AS OF THE DATE OF THE VALUATION BALANCE SHEET IS USED IN
CALCULATING THE LIABILITIES OF THE FUND. THE ACTUARIAL ASSUMPTIONS
USED IN DETERMINING THE ABOVE AMOUNTS ARE BASED ON ALL OF THE ARTICLE
3 FUNDS IN THE STATE OF ILLINOIS IN AGGREGATE, NOT ON EACH FUND
INDIVIDUALLY. THE FUND SPECIFIC INFORMATION USED IN THE PRODUCTION OF
THIS DOCUMENT WAS PROVIDED TO THE ILLINOIS DEPARTMENT OF FINANCIAL AND
PROFESSIONAL REGULATION BY YOUR PENSION FUND BOARD OF TRUSTEES THROUGH
THE FUND'S ANNUAL STATEMENT FILING.

Dave Wall <dave@wallandassociates.o Jul 9 (4 days ago)
to me, Bryan, Martin, Robert, Steve, Todd

The benchmarks reported for the fixed income report have changed over time and are on the report to reflect some of the history. Prior to January 2011 Public Plans were not allowed to invest in corporate bonds. Thus the intermediate Agency and Government indices are included in the report. However the plan did not amend their investment policy and begin investing in corporate bond until July last year. This was largely due to the size of the plan. Now that corporate bonds are included in the portfolio the Intermediate Aggregate index is included in the report.

The use of one benchmark for the equity account has not been used in the past because the investment policy allows for dynamic dollar/percentage amounts that can be invested in domestic equity and International equity. The 3 indices reported are designed to reflect various weights in domestic equity vs. International equity. The broad asset classes (Domestic vs. Intl.) can be split up and managed to specific benchmarks. Doing so would result in a more strategic asset allocation vs. dynamic allocation as it relates to equities.

Performance Summary

Net of Fees

Date Range	Client Name	Account Name	Account Number	Currency
6/1/2015 - 6/30/2015	Barrington Hills Police Pension Fund	Account Aggregate		USD

Portfolio Summary

Beginning Market Value	8,252,785.98
Beginning Accrued Interest	23,710.40
Additions	79,712.57
Withdrawals	-93,638.50
Period Realized Gains/Losses ³	-821.98
Period Unrealized Gains/Losses ²	-123,624.02
Interest Income	17,718.54
Dividend Income	18,970.29
Management Fees	-5,910.98
Ending Market Value	8,145,191.90
Ending Accrued Interest	12,402.09
Total Gain after Management Fees	-104,976.46
Time Weighted Return %	-1.20
Average Annualized Return %	-

Total Portfolio	1 Mo	3 Mo	YTD	1 Yr	3 Yr	5 Yr	Since Inception 12/31/2008
Time Weighted Return % ¹	-1.20	-0.23	1.47	3.34	5.72	5.07	4.96

1. Returns are annualized for periods greater than 1 year.

2. Period Unrealized Gains/Losses--Unrealized Gains/Losses of all securities held in account(s) based on market values at the end of the day before the first date of the report. For purchases made during the report period, the unrealized gain/loss is based on cost basis of those purchases.

3. Period Realized Gains/Losses--Realized Gains/Losses generated by all closing positions during the report period based on market value at the end of the day before the first date of the report. For purchases made during the report period, the realized gain/loss is based on cost basis of those purchases.

Performance Summary

Net of Fees

Date Range	Client Name	Account Name	Account Number	Currency
6/1/2015 - 6/30/2015	Barrington Hills Police Pension Fund	Fixed Income	74698825	USD

Portfolio Summary

Beginning Market Value	4,313,920.02
Beginning Accrued Interest	23,710.40
Additions	50,000.00
Withdrawals	0.00
Period Realized Gains/Losses ³	-821.98
Period Unrealized Gains/Losses ²	-29,200.48
Interest Income	17,714.89
Dividend Income	0.00
Management Fees	0.00
Ending Market Value	4,351,612.45
Ending Accrued Interest	12,402.09
Total Gain after Management Fees	-23,615.88
Time Weighted Return %	-0.54
Benchmark Return %	-0.17
Average Annualized Return %	-
Annualized Benchmark Return %	-

Total Portfolio	1 Mo	3 Mo	YTD	1 Yr	3 Yr	5 Yr	Since Inception 12/31/2008
Time Weighted Return % ¹	-0.54	-0.54	0.59	1.88	1.10	1.94	2.50
Barclays US Agency Interm TR USD % ¹	-0.17	-0.04	0.91	1.61	1.07	1.71	2.14
+/- Benchmark %	-0.37	-0.50	-0.31	0.27	0.03	0.23	0.36
Barclays US Govt Interm TR USD % ¹	-0.39	-0.43	0.82	1.79	0.90	2.06	2.15
+/- Benchmark %	-0.15	-0.11	-0.23	0.09	0.19	-0.12	0.34
Barclays US Agg Interm TR USD % ¹	-0.66	-0.67	0.64	1.89	1.74	2.89	3.93
+/- Benchmark %	0.11	0.13	-0.05	-0.01	-0.64	-0.95	-1.43

1. Returns are annualized for periods greater than 1 year.

2. Period Unrealized Gains/Losses--Unrealized Gains/Losses of all securities held in account(s) based on market values at the end of the day before the first date of the report. For purchases made during the report period, the unrealized gain/loss is based on cost basis of those purchases.

3. Period Realized Gains/Losses--Realized Gains/Losses generated by all closing positions during the report period based on market value at the end of the day before the first date of the report. For purchases made during the report period, the realized gain/loss is based on cost basis of those purchases.

David Wall
Wall & Associates

Performance Summary

Net of Fees

Date Range	Client Name	Account Name	Account Number	Currency
6/1/2015 - 6/30/2015	Barrington Hills Police Pension Fund	ETF Global Equity	12257340	USD

Portfolio Summary

Beginning Market Value	3,758,369.50
Beginning Accrued Interest	0.00
Additions	0.00
Withdrawals	0.00
Period Realized Gains/Losses ³	0.00
Period Unrealized Gains/Losses ²	-94,423.54
Interest Income	0.00
Dividend Income	18,970.29
Management Fees	0.00
Ending Market Value	3,682,916.25
Ending Accrued Interest	0.00
Total Gain after Management Fees	-75,453.25
Time Weighted Return %	-2.01
Benchmark Return %	-2.08
Average Annualized Return %	-
Annualized Benchmark Return %	-

Total Portfolio	1 Mo	3 Mo	YTD	1 Yr	3 Yr	5 Yr	Since Inception 1/31/2012
Time Weighted Return % ¹	-2.01	0.08	2.51	5.26	15.76	-	14.37
65% R3K & 35% EAFE % ¹	-2.08	0.33	3.21	3.21	15.77	-	14.38
+/- Benchmark %	0.07	-0.25	-0.70	2.06	-0.02	-	-0.01
MSCI World Free NR USD % ¹	-2.33	0.31	2.63	1.43	14.28	-	12.77
+/- Benchmark %	0.32	-0.23	-0.12	3.84	1.48	-	1.60
80% R3K & 20% EAFE (net) % ¹	-1.91	0.25	2.67	4.95	16.63	-	15.41
+/- Benchmark %	-0.10	-0.17	-0.16	0.31	-0.87	-	-1.04

1. Returns are annualized for periods greater than 1 year.

2. Period Unrealized Gains/Losses--Unrealized Gains/Losses of all securities held in account(s) based on market values at the end of the day before the first date of the report. For purchases made during the report period, the unrealized gain/loss is based on cost basis of those purchases.

3. Period Realized Gains/Losses--Realized Gains/Losses generated by all closing positions during the report period based on market value at the end of the day before the first date of the report. For purchases made during the report period, the realized gain/loss is based on cost basis of those purchases.

David Wall
Wall & Associates

Village of Barrington Hills
Procurement Policy and Procedures
Adopted xxxxx, 2015

A. Purpose

The purpose of this policy is to provide the Village of Barrington Hills' staff with guidelines and directions for the acquisition of goods and services. When used with good judgment and common sense, the policies and procedures conveyed within will allow the Village to obtain required supplies and services efficiently and economically.

Employees are expected to read this policy and provide the Finance Chairman with feedback regarding the policies and procedures contained within. This policy is designed to be a fluid document and will be modified from time to time to conform to changes in legislation, technology and actual practice. Although it may not answer every question related to purchasing practices, it does provide general guidelines for purchasing activities. Employees who need help dealing with specific situations not covered by the manual should contact the Village Treasurer for assistance.

The Village Administrator, or his designee, shall be the final authority with regards to enforcement of any of the provisions of this policy. Failure to follow the procedures outlined in this policy may lead to disciplinary action.

B. Code of Ethics

All Village personnel engaged in purchasing and related activities shall conduct business dealings in a manner above reproach in every respect. Transactions relating to expenditure of public funds require the highest degree of public trust to protect the interests of the Village and the residents of Barrington Hills. Village employees shall strive to:

- Ensure that public money is spent efficiently and effectively and in accordance with statutes, regulations and Village policies.
- Maintain confidentiality at all times.
- Not accept gifts or favors from current or potential suppliers, which might compromise the integrity of their purchasing function.
- Purchase without favor or prejudice.
- Ensure that all potential suppliers are provided with adequate and identical information upon which to base their offer or quotation.

Village of Barrington Hills
Procurement Policy and Procedures
Adopted xxxxx, 2015

B. Code of Ethics (Continued)

- Offer a prompt and courteous response to all inquiries from potential or existing suppliers.

It shall be the responsibility of the Village Administrator to determine if a violation of this Code of Ethics has occurred and if disciplinary action is necessary.

C. Conflict of Interest Policy

Except as may be disclosed to and permitted by the Village Board, it shall be a breach of ethical standards for any employee to participate directly or indirectly in the purchasing process when the employee knows that:

1. The employee is contemporaneously employed by a bidder, vendor or contractor involved in the procurement transaction; or
2. The employee, the employee's partner, or any member of the employee's immediate family holds a position with a bidder, offeror or contractor such as an officer, director, trustee, partner or the like, or is employed in a capacity involving personal and substantial participation in the procurement transaction, or owns or controls an interest in the company; or
3. The employee, the employee's partner, or any member of the employee's immediate family has a financial interest arising from the procurement transaction; or
4. The employee, the employee's partner, or any member of the employee's immediate family is negotiating, or has an arrangement concerning, prospective employment with a bidder, vendor or contractor.

The employee's immediate family shall be defined as a spouse, children, parents, brothers and sisters and any other person living in the same household as the employee.

It shall be the responsibility of the Village Administrator to determine if a violation of this Conflict of Interest policy has occurred and if disciplinary action is necessary.

Village of Barrington Hills
Procurement Policy and Procedures
Adopted xxxxx, 2015

D. Gifts and Gratuities – Village Guidelines for Accepting

Village personnel should be aware that offers of gratitude from vendors could be designed to compromise objective judgment in product or service selection. Accordingly, it is Village policy to observe the highest standards of ethics and to shield the employee, the Village and the vendor from any suggestion or appearance of conflict of interest.

No employee shall permit any influence by vendors, which could conflict with the best interest of the Village, or prejudice the Village's reputation. Expenditures of Village funds to vendors shall not by intention personally benefit any person employed with the Village. Employees shall strive to follow the following guidelines:

1. Tangible gifts or gratuities shall not be accepted where their value suggests something more than merely a social gesture. Such gifts should be returned with a statement of Village policy. Promotional or advertising items of nominal value such as key chains, pens, coffee mugs, calendars and holiday candy are acceptable. Promotional gifts that are capable of being shared, such as a box of chocolates, shall be shared within the office or section where the recipient works.
2. Association with vendor representatives at business meals or business organization meetings is occasionally necessary and is neither questionable nor unethical, provided the individual keeps himself/herself free of obligation.
3. Personal loans of money or equipment are not to be accepted from a vendor or an individual associated with a vendor doing business with the Village.
4. Solicitation of vendors for merchandise or certificates to serve as door prizes or favors is normally prohibited. However, the Village Administrator may approve exceptions.
5. Corporate discounts granted to Village employees are acceptable only if they are offered to all Village employees and other corporate clients of the vendor.

If in any doubt about the propriety of accepting a gift, the matter should be referred to the Village Administrator or his designee.

Village of Barrington Hills
Procurement Policy and Procedures
Adopted xxxxx, 2015

E. General Purchasing Procedure and Responsibilities

1. The Village Board adopts an appropriation for the fiscal year.
2. Purchases of goods/services for budgeted items may be ordered with Supervisor or Department Head approval provided that expenditures do not exceed the amount available in the appropriation.
3. The level of appropriated authority (the level at which expenditures cannot legally exceed the budget) granted to the Village Treasurer is established at the individual fund level.
4. The Administration Department must document initiation of purchase request with Village Administrator's approval to the Treasurer and be reviewed and signed by the initiator or Village Administrator.
5. Approved invoices are forwarded by Police Department to the Treasurer for inclusion in the Bills for Approval List approval process. Invoices should be submitted to the Treasurer on a regular basis as received.
6. The Treasurer reviews invoices received for review and signature of Supervisor or Department Head on invoice. Certain recurring invoices (e.g., contract amounts, utilities) do not need to be returned for approval.
7. Checks are processed on a monthly basis. Certain manual checks get approval by the Finance Chair prior to issuance in order to avoid finance charges/late fees prior to monthly Board Meeting processing.
8. All properly approved invoices are then compiled by the Treasurer on Bills for Approval open invoice list for Board approval which is included in the agenda packet for the Board Meeting.
9. The Board approves the Bills for Approval open invoice list as well as manual checks approved for issuance by the Finance Chair for the previous month at the Board Meeting

Village of Barrington Hills
Procurement Policy and Procedures
Adopted xxxxx, 2015

F. Manual Checks

Occasionally, a need will arise for a check to be prepared manually outside of the normal claims list process. These manual checks are needed when a check has to be remitted prior to the next Board Meeting list process. The Village's policy is to keep requests for manual checks at a minimum. Common items for which manual checks can be prepared include 1) Payroll related checks; 2) Police Pension contribution 3) Late notification of seminar registrations or late decisions to attend; 4) Unavoidable cash on delivery transactions; 5) Board approved contractual obligations requiring check; 6) Emergency purchases, 7) Agreed to arrangements pre-approved by the Village Administrator with vendors, 8) Situations which will significantly impair the Village financially if a check is not prepared; and 9) Situations which would significantly impair the Village's operations if a check is not prepared.

The Treasurer will process manual checks as necessary. The Treasurer may authorize a non-emergency related check in situations where immediate issuance of the check is needed to prevent an adverse impact on the Village. The Supervisor or Department Head must submit a written request for a manual check to the Village Treasurer. All manual checks are to be approved by the Finance Chairman and Village Treasurer. In the Finance Chairman's absence the Village President may approve manual checks. Departments will have to demonstrate that a manual check fits one of the above criteria.

Once a check is prepared, reporting to the Board via manual check memo and report by the Treasurer will take place through the first following bills for approval process which corresponds to the manual check reporting date.