Winnetka Village Council
RESCHEDULED REGULAR MEETING
Village Hall
510 Green Bay Road
Thursday, November 8, 2012
7:30 p.m.

Emails regarding any agenda item are welcomed. Please email contactcouncil@winnetka.org, and your email will be relayed to the Council. Emails for a Tuesday Council meeting must be received by Monday at 4 p.m. Any email may be subject to disclosure under the Freedom of Information Act.

AGENDA

1) Call to Order
2) Pledge of Allegiance to the Flag
3) Quorum
   a) November 13, 2012, Study Session
   b) November 20, 2012, Regular Meeting
   c) December 4, 2012, Regular Meeting
4) Approval of Agenda
5) Consent Agenda
   a) Village Council Minutes
      i) October 2, 2012, Regular Meeting 2
      ii) October 9, 2012, Study Session 5
   b) Warrant Lists Nos. 1771 and 1772 6
6) Stormwater Report (no report – next report will be at November 13 Study Session)
7) Change Order for Primary Cable (Okonite Company) 7
8) Ordinances and Resolutions
   a) Ordinance MC-9-2012: Publication of Ordinances – Introduction 10
9) Public Comment
10) Old Business
   a) 2012 Property Tax Levy and Pension Analysis 16
11) New Business
   a) Annual Public Safety Pension Report 74
12) Appointments
13) Reports
14) Executive Session
15) Adjournment

MINUTES
WINNETKA VILLAGE COUNCIL
REGULAR MEETING
October 2, 2012

(Approved: xx)

A record of a legally convened meeting of the Council of the Village of Winnetka, which was held in the Council Chambers on Tuesday, October 2, 2012, at 7:30 p.m.

1) Call to Order. President Tucker called the meeting to order at 7:31 p.m. Present: Trustees Arthur Braun, Jack Buck, Patrick Corrigan, Richard Kates, Stuart McCrary and Jennifer Spinney. Absent: None. Also present: Village Manager Robert Bahan, Village Attorney Katherine Janega, Finance Director Ed McKee, Director of Public Works Steve Saunders, Assistant to the Village Manager Megan Pierce, and approximately 3 persons in the audience.

2) Pledge of Allegiance. President Tucker led the group in the Pledge of Allegiance.

3) Quorum.

   a) October 9, 2012, Study Session. All of the Council members present indicated that they expected to attend.

   b) October 16, 2012, Regular Meeting. All of the Council members present indicated that they expected to attend.

   c) November 8, 2012, Rescheduled Regular Meeting. All of the Council members present indicated that they expected to attend.

4) Approval of the Agenda. Trustee McCrary, seconded by Trustee Spinney, moved to approve the Agenda. By roll call vote the motion carried. Ayes: Trustees Braun, Buck, Corrigan, Kates, McCrary and Spinney. Nays: None. Absent: None.

5) Consent Agenda

   a) Village Council Minutes.

      i) September 6, 2012, Regular Meeting.

   b) Warrant Lists Nos. 1767 and 1768. Approving Warrant List No. 1767 in the amount of $1,901,061.04, and Warrant List No. 1768 in the amount of $796,637.02.

   c) Ordinance MC-6-2012: Code Amendment: Vehicle Impoundment & Towing – Adoption. Approving technical amendments to Title 10 of the Village Code, "Vehicles and Traffic," to clarify the existing scope of the vehicle "booting" and towing procedures.

   Trustee Braun, seconded by Trustee Spinney, moved to approve the foregoing items on the Consent Agenda by omnibus vote. By roll call vote, the motion carried. Ayes: Trustees Braun, Buck, Corrigan, Kates, McCrary and Spinney. Nays: None. Absent: None.

6) Stormwater Update: NW Winnetka Engineering Proposal – Christopher B. Burke Engineering. Mr. Saunders reviewed the contract for additional stormwater engineering

work on a portion of northwest Winnetka that the Council directed staff to obtain at the September 11, 2012, Council meeting.

The Council asked a few questions, and then Trustee Braun, seconded by Trustee McCrary, moved to authorize the Village Manager to sign an agreement with Christopher B. Burke Engineering, Ltd. in the amount of $216,274, to perform professional engineering services for the Forest Glen and Greenwood Avenue Study Areas Stormwater Improvements (otherwise known as Northwest Winnetka), as outlined in their proposal dated September 24, 2012. By roll call vote, the motion carried. Ayes: Trustees Braun, Buck, Corrigan, Kates, McCrary and Spinney. Nays: None. Absent: None.

7) Ordinances and Resolutions.

a) Ordinance MC-7-2012: Sign Code Amendments – Introduction. Attorney Janega reviewed the draft ordinance, which amends the Sign Code to address the issue of content neutrality regarding political signs, which was raised by a resident earlier in the year. She explained that the amendments would provide consistency of size for political signs and others such as garage sale, real estate sale and event signs in residential districts.

Trustee McCrary suggested that residents who want bigger signs be required to come before the Council for approval.

Attorney Janega explained that it is not unusual for a community to have a two-step sign approval process, but suggested waiting until after the election to make further changes to the Sign Code.

After a brief discussion, Trustee Braun, seconded by Trustee Spinney, moved to introduce Ordinance MC-7-2012. By voice vote, the motion carried.

b) Ordinance M-13-2012: Land Rover Lease Renewal – Introduction. Mr. McKee explained that the Village owns property at 93 Green Bay Road, which it leases to Land Rover Winnetka, and that since the current lease has expired, Staff has negotiated a new lease for the Council's consideration.

The Council asked questions and briefly discussed the matter.

Trustee Kates, seconded by Trustee Braun, moved to introduce Ordinance M-13-2012, authorizing a property lease with Fields PAG, Inc., d/b/a Land Rover Winnetka, substantially in the form attached. By voice vote, the motion carried.

8) Public Comment and Questions.

9) Old Business. None.

10) New Business.

a) 2012 Property Tax Levy Analysis. Mr. McKee explained that since the Village does not generate a large amount of revenue from sales taxes, it relies mainly on property tax revenue to provide municipal services. He said the Village's share of the total property tax bill has been reduced from 17.23% in 1997 to 13.36% currently, largely by reducing the number of Village employees.

Mr. McKee reviewed several charts from his agenda report which compared the Village's share of the property tax bill to other taxing entities, and he noted that in 2005, when the

Village became a Home Rule community, a practice was established of setting the levy below tax caps, even though Home Rule status means the Village is no longer subject to the tax cap.

Mr. McKee reviewed capital improvement projections, the tax levy history of the Village and budget projections, and summarized the pension plan funding, using graphs contained in his agenda report. He said Staff is recommending a 1.7% property tax levy increase for existing homeowners, with an assumption of 1.3% for new development. He explained that since the impact of new development is necessarily an estimate, the impact of the proposed levy increase falls into a range of figures. He reviewed charts from his agenda report summarizing the proposed tax levy of $13,875,587, property tax increase percentages under different assumptions, and also gave a timeline for the 2012 tax levy process.

An extensive discussion regarding the funding and budgeting for employee pensions ensued, and Manager Bahan said an extra meeting can be scheduled if the Council wishes to discuss the budget process in more detail.

After Mr. McKee explained the schedule for changing the Village accounting system from a fiscal to a calendar year, President Tucker said she would look at scheduling more meeting time for the budget before the tax levy is presented again for policy direction.

11) Reports

a) Village President. President Tucker announced that the Police/Fire Open House would be held on October 13, and on October 15 the Village is hosting a property tax appeal seminar at Village Hall. She said the stormwater seminars were well attended and the videos of the seminars are available for viewing on the Village website.

b) Trustees.

i) Trustee McCrary reported that the Historical Society held a recent program at 455 Birch, which has been vacant many years and may be coming on the market soon. He also announced that on October 23, the Kenilworth Union Church will host a presentation by Cook County Board President Toni Preckwinkle.

ii) Trustee Spinney reported that on Wednesday, the Chamber of Commerce and the North Shore Country Day School will host a tour of their new upper school, and added that the Chamber will host its annual golf outing on Thursday.

c) Attorney. No report.

d) Manager. No report.

12) Executive Session. None.

13) Adjournment. Trustee McCrary, seconded by Trustee Braun, moved to adjourn the meeting. By voice vote, the motion carried. The meeting adjourned at 9:21 p.m.

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Recording Secretary

MINUTES

WINNETKA VILLAGE COUNCIL STUDY SESSION
October 9, 2012

(Approved: xx, 2012)

A record of a legally convened meeting of the Council of the Village of Winnetka, which was held in Village Hall on Tuesday, October 11, 2012, at 7:30 p.m.

1) Call to Order. President Tucker called the meeting to order at 7:30 p.m. Present: Trustees Arthur Braun, Jack Buck, Patrick Corrigan, Richard Kates, Stuart McCrary and Jennifer Spinney. Also present: Village Manager Robert Bahan, Village Attorney Katherine Janega, Police Chief Patrick Kreis, Assistant to the Village Manager Megan Pierce, and approximately 3 persons in the audience.

2) Discussion of Administrative Hearing Process. Police Chief Patrick Kreis offered a brief summary of the proposed administrative process, which would provide local level enforcement, review and adjudication of Ordinances enforced by the Police Department. He presented some of the perceived benefits to both the Village and residents, and said a local process is simpler and more flexible than that offered through the Circuit Court of Cook County. Chief Kreis noted that implementing an administrative hearing process does not exclude the Village from utilizing other legal avenues.

   Attorney Janega stated that the Administrative Hearing procedures are defined by State Statute, and that neighboring communities were surveyed to review the scope of jurisdiction established by comparable home rule and non-home rule municipalities. She reiterated that at this time, staff is only exploring procedures to implement administrative hearings in cases of ordinance violations that fall under the Police Department's purview.

   The Council discussed examples of potential local adjudication items and the benefits of local administration as related to the fine and fee structure; considered the recording and scheduling of hearings; and discussed the importance of a qualified hearing officer.

   Attorney Janega and Chief Kreis further explained that a separate process would be established for non-resident violators, that the Village would need to set a fixed schedule of fines, and that surrounding communities have found that the operational costs of the process are generally covered by the fines collected. They suggested reporting to the Council, perhaps quarterly, on the status of the process once it is implemented. The Council stressed that a fair process is paramount.

   The Council directed staff to proceed with drafting and to present a draft administrative hearing process, including legal requirements and structures, for Council review.

3) Adjournment. Trustee Spinney, seconded by Trustee Buck, moved to adjourn the meeting. By voice vote, the motion carried. The meeting adjourned at 9:00 p.m.

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Recording Secretary

AGENDA REPORT

TO: Village Council

FROM: Robert M. Bahan, Village Manager

DATE: November 1, 2012

SUBJECT: **Warrant Lists Nos. 1771 and 1772**

Warrants Lists Nos. 1771 and 1772 are enclosed in each Council member's packet.

Recommendation: Consider approving Warrants Lists Nos. 1771 and 1772.

AGENDA REPORT

SUBJECT: **Change Order for Primary Cable, The Okonite Company**

PREPARED BY: Brian Keys, Director Water & Electric

REF: April 3, 2012 Village Council Meeting, pp. 35-42
October 16, 2012 Village Council Meeting, pp. 42-43

DATE: October 30, 2012

The Winnetka Park District is proceeding with construction activities in accordance with the Skokie Playfields Master Plan. The Water & Electric Department is working with the Park District staff to address utility conflicts and complete the requested utility relocations. At the October 25th, Park District Board Meeting, the Board approved project estimates to underground the utility poles on the west side of Hibbard Road to accommodate the proposed bike path, relocation of a utility pole with underground cable connections during off hours, and relocation of an underground circuit on the driving range. Water & Electric staff is requesting approval to order the cable required for these projects. Dr. Schwartz, Executive Director, for the Winnetka Park District has provided written confirmation that the Park District will be responsible for the material costs associated with the projects (Reference Exhibit A).

The Water & Electric Department issued Bid Number 12-002 for the purchase of cable during the timeframe of April 1, 2012 through March 31, 2013. On April 3rd, the Village Council awarded the Okonite Cable Company a purchase order for primary (15kV) cable. The Park District projects will require approximately 3,500 feet of 15kV 350 kcmil three conductor copper cable, 1,833 feet of 1/0 three conductor copper cable, and 600 feet of 1/0 single conductor copper cable. The minimum order quantity for cable is 10,000 feet of single conductor or 3,500 of three conductor cable, or a combination of thereof.

Staff is proposing to meet the minimum order quantity for the 1/0 cable by purchasing a combination of single conductor cable and three conductor cable. By itself, the cable requirements for the Park District projects will not meet the minimum order quantity. Water & Electric staff is proposing that the Electric Fund order the additional cable as required for the minimum order. This particular cable is a commonly used conductor size for new service requirements.

The requested change order amount is $162,886. The change order amount includes additional funds for manufacturing length tolerances as noted below.

15kV Cable

Quantity **3-1/c 350 kcmil: 3,500 ft.** **3-1/c 1/0: 3,000 ft.** **1/c 1/0: 1,000 ft.**	**Metals Escalation**	**Shipping Length Tolerance (5%) & Packaging**	**Requested Amount**
$155,129.50	$0	$7,756.47	$162,885.97

↓

$162,886

Cost allocation for the proposed cable purchase will be allocated between the Park District and the Electric Fund. Based on the quantities of cable required for the Park District's project, it is estimated that the Park District will fund $142,361 and the Electric Department will fund $20,525.

The Electric Fund FY2012-13 Budget contains $793,000 (account #50-47-640-209) for the purchase and installation of cable. The Village Council has previously approved $539,856 of cable purchases and $189,000 of wire pulling services. Approximately $24,000 of the prior cable purchases will be funded by the Storm Water Program.

Recommendation:
Consider authorizing the Village Manager to award a change order to the Okonite Company in the amount of $162,886 for the purchase of 15kV 350 kcmil copper cable and 15kV 1/0 copper cable at the unit prices bid, subject to the contract conditions.

Attachment: Letter, Dr. Schwartz, Winnetka Park District (dated October 26, 2012)

October 26, 2012

Mr. Brian Keys
Director, Water and Electric Department
Village of Winnetka
510 Green Bay Road
Winnetka, IL 60093

Dear Mr. Keys:

At the October 25th, Park District Board Meeting, the Board approved moving forward with undergrounding the utility poles on the west side of Hibbard Road to accommodate the proposed bike path and walkway. Based on cost estimates provided by the Village's Water & Electric Department, the Board has approved the following projects:

- Temporary Pole Relocation and overtime costs for off hour installation $ 11,857
- Hibbard Road Pole Relocation for directional boring work, cable, switchgear and other materials required for the project. $262,745
- Pump Station Service Relocation from Admin Building to pump station $ 20,000

Please proceed to order the required material with the understanding that the Park District will be responsible for reimbursing the Water & Electric Department.

With respect to improvements planned on the golf course, the Board also approved the utility work required to relocate the underground line serving the pump station as indicated above. Please proceed with ordering the required cable with the understanding that the Park District will be responsible for an amount not to exceed $20,000.

Thank you for your continued assistance with the utility work. We appreciate the Village Staff interest in working with other units of local government to the benefit of the Village and Park District of Winnetka.

Sincerely,

Terry G. Schwartz

Dr. Terry G. Schwartz
Executive Director

540 Hibbard Road, Winnetka, IL 60093
www.winpark.org

(847) 501-2040
Fax: (847) 501-5779

AGENDA REPORT

SUBJECT: **Ordinance MC-9-2012 – Publication of Ordinances**

PREPARED BY: Katherine S. Janega, Village Attorney

DATE: November 1, 2012

Background

Ordinance MC-9-2012 amends Sections 2.04.040 and 2.16.040 of the Winnetka Village Code as they pertain to the passage, approval and publication of ordinances. Section 2.04.040 addresses the Council's procedures, while Section 2.16.040 addresses the Village Clerk's duties.

The current text of these two provisions was set before the Village became a home rule unit and therefore is based on the 1869 Village Charter, which required that all ordinances be posted in "three of the most public places" in the Village after they are adopted by the Council. The Village Code also requires posting after an ordinance is introduced, although the introduction and initial posting were not required by the Charter.

The three locations currently in effect are the bulletin board at Village Hall, the Winnetka Public Library, and a display case adjacent to the Chestnut Street Post Office. Those locations were established in June of 2004, pursuant to Ordinance MC-9-2004. That amendment was triggered by a Park District request to move the ordinance display cases that were then located Hubbard Woods Park, Station Park and Indian Hill Park, all in close proximity to the Village's three METRA stations.

At the time of the 2004 amendments, any publication method other than posting was ruled out because, as a chartered, non-home rule municipality, the Village could only eliminate the posting requirement if it were to abandon its Charter and reincorporate under the Illinois Municipal Code.

Proposed Amendments

Ordinance MC-9-2012 has been prepared after reviewing the provisions of the Illinois Municipal Code that govern the passage and publication of ordinances (65 ILCS 5/1-2-1, *et seq.*), as well as the municipal codes of neighboring communities and others in the general area.

The proposed amendments would replace publication by posting in three defined locations with publication in pamphlet form. Pamphlet form is the preferred statutory form of publication for most municipalities, as all that it requires is adding a cover sheet to each ordinance. (65 ILCS 5/1-2-4) The proposed amendment retains the introduction requirement, but replaces the initial posting that now follows introduction with a requirement to make the ordinance available for public inspection. Although the method for making an ordinance available for inspection is not specified in the Village Code, it is covered by the Freedom of Information Act. In addition, it allows the Village to take advantage of its website, which is used to post all Council agenda materials.

The change in posting and publication procedures has several benefits. First, it is consistent with the statutory publication method, making it easier to establish the validity of Village ordinances when necessary to do so. This happens most frequently when doing a bond financing, or when documenting actions for intergovernmental agencies that are accustomed to seeing the statutory forms. For example, to provide comfort for bond counsel and bond purchasers when the Village has issued bonds, we have adopted the practice of adding publication in pamphlet form to eliminate questions about the validity of an ordinance enactment.

Second, publication in pamphlet form is also more understandable to the public, because it is provided for by statute and is in widespread use.

Third, publication in pamphlet form is easily accomplished, since all that is required is the preparation of a cover sheet form to attach to the final ordinance, a task that can be accomplished in a matter of minutes without leaving one's desk and that can allow the technicalities of enacting an ordinance to be completed immediately after it is approved by the Village President. Posting, on the other hand, occurs after the date of the meeting and requires Village staff to leave Village Hall, which creates staffing coverage challenges and interferes with other time-sensitive duties that are performed in the Village Manager's office.

Finally, the ease of publication afforded by the draft amendment allows the Village to focus attention on expanding the use of technology to publicize the Council's actions, without being tied to outdated, manual methods.

Ordinance MC-9-2012 also makes two other amendments to Section 2.04.040. First, it replaces the archaic ordaining clause established by the Charter ("the Council do ordain"), with the statutory formula. (65 ILCS 5/1-2-2) Second, it expands the circumstances in which introduction of an ordinance can be waived. These changes include the need to comply with a statutory deadline, as well as allowing zoning variations and special uses to move straight to adoption if the Council has already considered the recommendation of the Zoning Board of Appeals and, where applicable, the Plan Commission, and has directed that the ordinance be prepared. While it is anticipated that the first exception would rarely be invoked, providing for this "last resort" exception would make it unnecessary to make the detailed findings that would be required under the current provision. The zoning exception has been added in light of Council comments made when periodically faced with a negative recommendation of a the ZBA and/or PC, when the discussion on policy direction effectively takes the place of introduction, especially because the Council's agenda materials on the initial consideration are made available to the public in the same manner as an ordinance would be. Both of these exceptions are in use in other area communities.

Recommendation:

Consider introduction of Ordinance MC-9-2012, amending Sections 2.04.040 and 2.16.040 of the Winnetka Village Code as they pertain to the passage and publication of ordinances.

ORDINANCE NO. MC-9-2012

AN ORDINANCE AMENDING
CHAPTER 2.04 OF THE WINNETKA VILLAGE CODE
AS IT PERTAINS TO THE POSTING OF ORDINANCES
IN PUBLIC PLACES IN THE VILLAGE

WHEREAS, the Village of Winnetka ("Village") is a home rule municipality in accordance with Article VII, Section 6 of the Constitution of the State of Illinois of 1970, pursuant to which it has the authority, except as limited by said Section 6 of Article VII, to adopt ordinances, to promulgate rules and regulations and to exercise any power and perform any function pertaining to the government and affairs of the Village and that protect the public health, safety and welfare of its citizens; and

WHEREAS, prior to becoming a home rule municipality in 2005, the requirements for enacting form and procedures for passing ordinances were established by the Winnetka Village Charter of 1869 ("Village Charter"); and

WHEREAS, pursuant to the Village Charter, Section 2.04.040 of the Winnetka Village Code, captioned "Passage of Ordinances," requires that all ordinances passed by the Winnetka Village Council be published by the Winnetka Village Clerk, by posting copies of the ordinances in "three of the most public places" in the Village, and designates the Village Hall bulletin board, the Winnetka Public Library and in or adjacent to the parking lots adjacent to the Winnetka branch of the U.S. Post Office; and

WHEREAS, Section 1-2-1 of the Illinois Municipal Code (65 ILCS 5/1-2-1) establishes the language for the ordaining clause of ordinances; and

WHEREAS, Section 1-2-4 of the Illinois Municipal Code (65 ILCS 5/1-2-4) provides for the publication of ordinances in book or pamphlet form under the authority of the corporate authorities; and

WHEREAS, the Village Council has determined that the passage and publication of ordinances in the manner provided by the Illinois Municipal Code is in the best interests of the Village and its citizens, in that it will make the Village's procedures consistent with the procedures followed in the immediate vicinity and throughout the State of Illinois.

NOW, THEREFORE, the Council of the Village of Winnetka do ordain as follows:

SECTION 1: That the foregoing recitals are hereby incorporated as the findings of the Council of the Village of Winnetka, as if fully set forth herein.

SECTION 2: Section 2.04.040 of Chapter 2.04 of the Winnetka Village Code is hereby amended in its entirety to provide as follows:

Section 2.04.040 Passage of ordinances.

The preparation, introduction and passage of all ordinances shall be governed by the following rules of procedure:

A. Preparation of ordinances. All ordinances shall be prepared by the Village Attorney at the request of the Council, a committee of the Council, the Village President, or the Village Manager.

B. Ordaining clause. The ordaining clause of all ordinances of the Village shall be: "Be it ordained by the President and Board of Trustees of the Village of Winnetka."

C. Introduction of ordinances.

1. Except as provided in subsection E, below, every ordinance shall first be introduced at a meeting of the Council and made available for public inspection.

2. Except as provided in subsection E, below, no ordinance shall be introduced at any meeting of the Council unless it has appeared on the published agenda for that meeting.

3. The Council may consider and discuss each ordinance at the time of introduction, and may direct that the text of the ordinance be amended prior to being presented for passage.

4. The concurrence of a majority of the Council members present shall be required to introduce an ordinance.

5. Except as provided in subsection E, below, no ordinance shall be passed by the Council at the same meeting at which it was introduced.

D. Passage, approval and publication of ordinances.

1. A proposed ordinance, after it has been introduced as provided in this section, may be called up for passage at any subsequent meeting of the Council, provided it has appeared on the published agenda for such meeting and made available for public inspection.

2. If the text of an ordinance has been amended since introduction, the Council shall vote to amend the ordinance prior to voting on the passage of the ordinance. The concurrence of a majority of the members of the Council then present shall be required to accept any such amendments. For purposes of this provision, the correction of errors in a draft ordinance shall not be considered an amendment to the text of the ordinance. The Village President shall be the sole judge of whether a change in an ordinance is an amendment to the text of the ordinance or a correction of an error.

3. Unless otherwise required by law, the passage of all ordinances shall require the concurrence of a majority of the Council then holding office.

4. Unless otherwise required by law, all ordinances shall be effective immediately upon their passage by the Council, approval by the Village President and publication in the manner provided by law. Where publication is by printing in book or

pamphlet form, the printing shall contain the legend, "Published by authority of the President and Board of Trustees of the Village of Winnetka, Illinois," and the date of publication.

E. Waiver of introduction and initial posting. The Council may waive or suspend the procedures set forth in subsection C, above, in the following instances:

1. When a majority of the members of the Council then present have unanimously determined, by motion, that an emergency exists or that cause has been presented to establish that the procedures do not in that instance serve the best interests of the Village;

2. The ordinance has been prepared pursuant to a resolution adopted at a previous meeting of the Board;

3. The ordinance grants a variation or special use and has been prepared at the direction of the Council after the consideration, at a prior meeting, of a recommendation of the Zoning Board of Appeals to grant or deny such variation or the recommendations of the Zoning Board of Appeals and Plan Commission to grant or deny a special use; and

4. Where the ordinance is required by law to be passed by a certain date, and compliance with such law could only be achieved if the Council holds a special meeting.

~~A. Introduction. All proposed ordinances shall first be read and presented to the Council and a motion shall be made to introduce the ordinance.~~

~~B. Initial Posting. Upon introduction of any ordinance, the Village Clerk shall make a copy of the proposed ordinance available for inspection in his or her office and shall post a copy of the proposed ordinance in three of the most public places in the Village, which are designated as the following: (1) the Village bulletin board on the first floor of Winnetka Village Hall; (2) inside the Winnetka Public Library at 768 Oak Street; and (3) in or adjacent to the Post Office parking lots located on the west side of Chestnut Street, between Elm Street and Oak Street. The proposed ordinance shall be so posted not less than five days prior to the next regular meeting of the Council.~~

~~C. Passage, Approval and Posting. A proposed ordinance, after it has been introduced and posted as provided in this section, may be called up for passage at any subsequent meeting of the Council, when the statutory vote necessary for passage shall be taken. After the ordinance has been approved and signed by the Village President and countersigned by the Village Clerk, the Village Clerk shall post a copy of such ordinance in each of the three places designated in subsection B of this section not later than five days after passage.~~

~~D. Waiver of Introduction and Initial Posting. The Council may waive or suspend the procedures set forth in subsections A and B of this section when the members of the Council then present have unanimously determined, by motion, that an emergency exists or that cause has been presented to establish that the procedures do not in that instance serve the best interests of the Village. (Ord. MC-183-97 § 16, 1997: prior code § 2.05)~~

SECTION 3: Subsection E of Section 2.16.040, "Powers and Duties," of Chapter 2.16, "Village Clerk," of Title 2 of the Winnetka Village Code is hereby amended to provide as follows:

> E. Recording and ~~Posting~~ Publication of Ordinances. To record each ordinance passed by the Council in a book to be kept for that purpose, before the next regular meeting after passage of the ordinance. The Village Clerk shall also ~~post copies of~~ publish each ordinance passed by the Council in the manner provided by law. Where publication is by printing in book or pamphlet form, the printing shall contain the legend, "Published by authority of the President and Board of Trustees of the Village of Winnetka, Illinois," and the date of publication. ~~in three of the most public places in the Village, as designated by the Council, not later than five days after the passage of such ordinances, and~~ In addition, the Village Clerk shall note at the foot of the record of each ordinance a memorandum showing the date when the ordinance was introduced, ~~when the ordinance was posted prior to the passage of such ordinance,~~ and the date of the passage and approval of the ordinance~~, and the date of posting the ordinance after its passage~~.

SECTION 4: This Ordinance is passed by the Council of the Village of Winnetka in the exercise of its home rule powers pursuant to Section 6 of Article VII of the Illinois Constitution of 1970.

SECTION 5: This Ordinance shall take effect immediately upon its passage, approval and posting as provided by law.

PASSED this ___ day of _____, 2012, pursuant to the following roll call vote:

AYES: _____

NAYS: _____

ABSENT: _____

APPROVED this ___ day of _____, 2012.

Signed:

_____
Village President

Countersigned:

_____
Village Clerk

Agenda Report

Subject: **2012 Property Tax Levy**

Prepared by: Ed McKee, Jr., Finance Director

Reference: 2011 / 2012 Budget
October 2, 2012 Council Meeting

Date: October 30, 2012

The Village Council and staff reviewed the supporting documentation and preliminary recommendations for the 2012 property tax levy at the October 2, 2012 Council Meeting.

Since the Council Meeting, staff has met with several of the Council Members to review specific questions and provide additional background information on the Village's budget. We have also discussed the necessity of a property tax levy increase to pay for increased operating expenses, principally wages and benefits.

One change from the material presented at the October 2, 2012 Council Meeting is updated pension information for the Police and Fire Pension Funds. Previous materials drew on estimates for both funds. I have updated the Property Tax Levy Calculations Worksheet (Exhibit A) to reflect the tax levy requirements as outlined on page 10 of both the Police and Fire reports. With final data, the percent change in the levy requirements for Police went down (5.1% to 1.7%) and Fire went up (5.1% to 7.4%).

Other attachments include the Police Actuarial Report (Exhibit B), the Firefighters' Actuarial Report (Exhibit C), and the materials provided at the October 2, 2012 Council Meeting (Exhibit D).

Staff will be available at the November 8, 2012 Council Meeting to review these materials and answer any questions.

Recommendation: Continue review of 2012 Property Tax Levy.

Exhibits:

A – Property Tax Calculation Worksheet
B – Police Actuarial Report
C – Fire Actuarial Report
D – Materials from October 2, 2012 Council Meeting

Village of Winnetka

Exhibit A

Property Tax Levy Calculations

2012.10.23

******* FINAL DRAFT *******

Tax Levy Category	Column A **2011 Actual Tax Levy**	Column B **2012 Proposed Tax Levy**	Column C (Column B - A) **Dollar Change**	C/A*100 **Percent Change**
General Fund:				
Corporate	$10,132,173	$10,436,990	$304,817	3.0%
FICA/Social Security	$0	$0	$0	#DIV/0!
IMRF	$0	$0	$0	#DIV/0!
Sub Total General	$10,132,173	$10,436,990	$304,817	3.0%
Other Funds:				
Police Pension	$992,534	$1,009,152	$16,618	1.7%
Fire Pension	$1,108,794	$1,191,031	$82,237	7.4%
Storm Water Utility			$0	
Refuse Utility	$1,100,000	$1,100,000	$0	0.0%
Debt Service - Resurfacing 1999	$138,899	$138,414	($485)	-0.3%
Debt Service - Stormwater 2012			$0	
Total Village-wide Tax Levy	$13,472,400	$13,875,587	$403,187	**3.0%**
Less: Projected New Development				
@ 1.3%, (0.3% less than 10 yr. av.)		($175,141)	($175,141)	-1.3%
Existing Tax Payer Increase	$13,472,400	$13,700,446	$228,046	**1.7%**

Increase Based on Total Property Tax Bill

Total Property Taxes Paid 100.00%	Other Taxing Distr. 86.64%	Village 13.36%	1.70% of Village
$10,000	$8,664	$1,336	$23
$15,000	$12,996	$2,004	$34
$20,000	$17,328	$2,672	$45
$26,000	$22,526	$3,474	$59
$40,000	$34,656	$5,344	$91

Levy 2012 as of 2012.10.23.xls

Actuary

VILLAGE OF WINNETKA

WINNETKA POLICE PENSION FUND

Actuarial Valuation Report

For the Year

Beginning April 1, 2012

And Ending March 31, 2013

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

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INTRODUCTION

Police-sworn personnel of the Village of Winnetka are covered by the Police Pension Plan that is a defined-benefit, single-employer pension plan. The purpose of this report is to disclose the Tax Levy Requirement and GASB Statements No. 25 & 27 financial information and related actuarial information for the year beginning April 1, 2012, and ending March 31, 2013.

The valuation results reported herein are based on plan provisions in effect as of April 1, 2012, the employee data furnished by the Village, the financial data provided by the Fund's trustee and the actuarial methods and assumptions described later in this report. I hereby certify that this report is complete and accurate and fairly presents the actuarial position of the Fund as of March 31, 2012, in accordance with generally accepted actuarial principles and procedures. In my opinion, the assumptions used are reasonably related to the experience of the Plan and to reasonable expectations.

Respectfully submitted,

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

10/23/2012
Date

SUMMARY OF RESULTS

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

There were no unexpected changes with respect to the participants included in this actuarial valuation (4 new members, 2 terminations, 2 retirements, 0 incidents of disability, annual payroll increase -0.6%, average annual salary increase 4.3%).

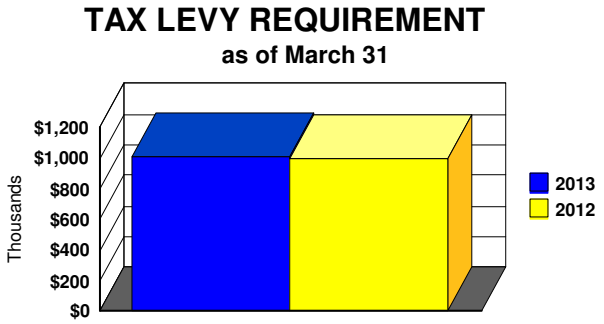
There were no unexpected changes with respect to the Fund's investments from the prior year (annual investment return 6.32%).

The Village's Tax Levy Requirement has increased slightly from $992,534 last year to $1,009,152 this year (1.7%). The increase in the Tax Levy is due to the increase in average salaries. The Percent Funded has increased slightly from 67.7% last year to 68.2% this year.

SUMMARY OF RESULTS (Continued)

	For Year Ending March 31	
	2013	2012
Tax Levy Requirement	$ 1,009,152	$ 992,534

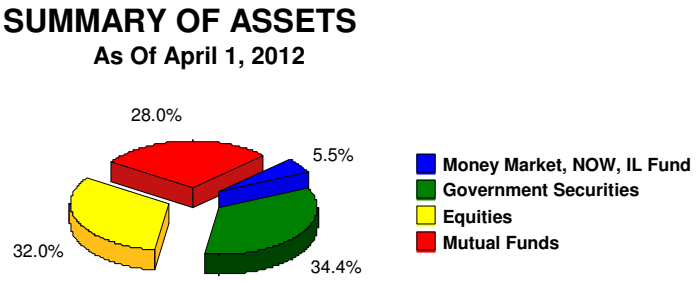
	as of April 1	
	2012	2011
Village Normal Cost	442,715	457,647
Anticipated Employee Contributions	225,741	227,183
Accrued Liability	31,240,020	30,118,976
Actuarial Value of Assets	21,310,547	20,377,515
Unfunded Accrued Liability/(Surplus)	9,929,473	9,741,461
Amortization of Unfunded Accrued Liability/(Surplus)	507,075	476,503
Percent Funded	68.2%	67.7%
Annual Payroll	$ 2,277,911	$ 2,292,457



ACTUARIAL VALUATION OF ASSETS

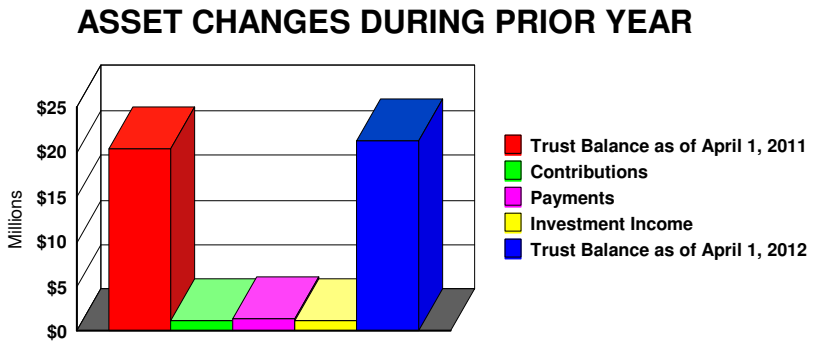
		as of April 1 2012		2011
Money Market, NOW, IL Fund	$	1,185,099	$	779,244
Government Securities		7,358,447		9,741,602
Equities		6,841,511		6,147,148
Mutual Funds		5,996,249		3,455,651
Interest Receivable		60,790		55,737
Miscellaneous Receivable/(Payable)		(120,393)		198,133
Market Value of Assets		21,321,703		20,377,515
Actuarial Value of Assets	$	21,310,547	$	

FYE 2012 (Gain)/Loss: ($13,945)



ASSET CHANGES DURING PRIOR YEAR

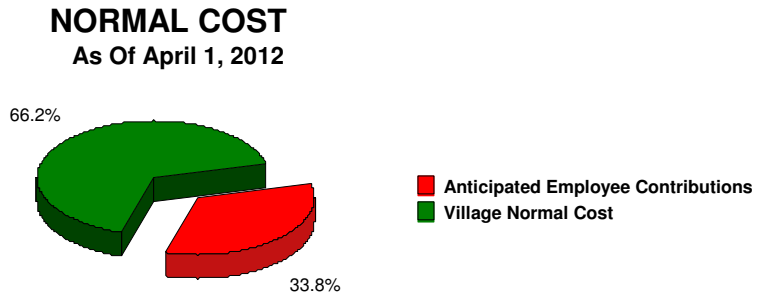
Trust Balance as of April 1, 2011		$	20,377,515
Contributions			
Village	964,387		
Employee	235,543		
Total			1,199,930
Payments			
Benefit Payments	1,497,171		
Expenses	35,706		
Total			1,532,877
Investment Income			1,277,135
Trust Balance as of April 1, 2012		$	21,321,703
Approximate Annual Rate of Return			6.32%



NORMAL COST

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

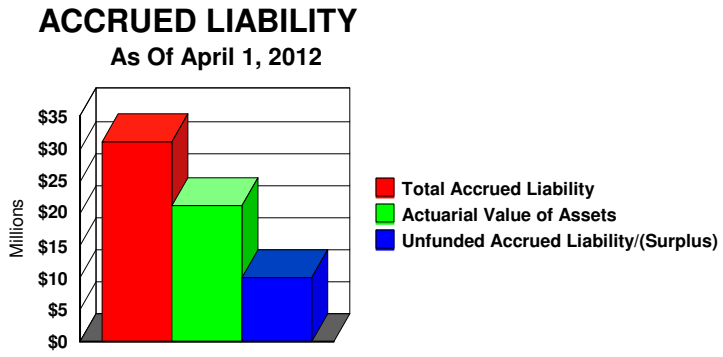
		as of April 1		
		2012		2011
Total Normal Cost	$	668,456	$	684,830
Anticipated Employee Contributions		225,741		227,183
Village Normal Cost		442,715		457,647
Normal Cost Payroll	$	2,277,911	$	2,292,457
Village Normal Cost Rate		19.44%		19.96%
Total Normal Cost Rate		29.35%		29.87%



ACCRUED LIABILITY

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

		as of April 1		
Accrued Liability		2012		2011
Active Employees	$	12,316,128	$	12,608,974
Children Annuities		0		0
Disability Annuities		0		0
Retirement Annuities		18,114,514		16,778,413
Surviving Spouse Annuities		642,799		626,716
Terminated Vested Annuities		166,579		104,873
Total Annuities		18,923,892		17,510,002
Total Accrued Liability		31,240,020		30,118,976
Actuarial Value of Assets		21,310,547		20,377,515
Unfunded Accrued Liability/(Surplus)	$	9,929,473	$	9,741,461
Percent Funded		68.2%		67.7%

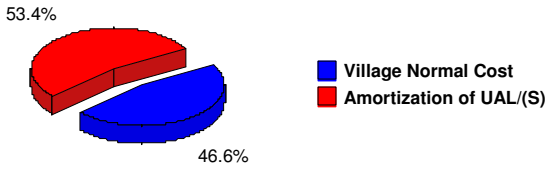


TAX LEVY REQUIREMENT

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

	For Year Ending March 31	
	2013	2012
Village Normal Cost as of Beginning of Year	$ 442,715	$ 457,647
Amortization of Unfunded Accrued Liability/(Surplus)	507,075	476,503
Interest for One Year	59,362	58,384
Tax Levy Requirement as of End of Year	$ 1,009,152	$ 992,534
Public Act 096-1495 Tax Levy Requirement		
1) Normal Cost (PUC)	488,429	511,189
2) Accrued Liability (PUC)	30,469,849	29,306,944
3) Amortization Payment	232,336	221,173
4) Interest for One Year	45,048	45,773
5) PA 096-1495 Tax Levy Requirement (1 + 3 + 4)	$ 765,813	778,135

TAX LEVY REQUIREMENT
For Fiscal Year Ending March 31, 2013



SUMMARY OF PLAN PARTICIPANTS

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

Name
Sex
Date of Birth
Date of Hire
Compensation
Employee Contributions

The information provided for Inactive participants included:

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

Membership	2012	2012	2011	2011
Current Employees				
Vested	16		18	
Nonvested	10		8	
Total	26		26	
Inactive Participants		Annual Benefits		Annual Benefits
Children	0	$ 0	0	$ 0
Disabled Employees	0	0	0	0
Retired Employees	24	1,389,617	23	1,277,115
Surviving Spouses	4	117,759	4	103,634
Terminated Vesteds	2	28,714	1	10,779
Total	30	1,536,090	28	1,391,528
Annual Payroll		$ 2,277,911		$ 2,292,457

SUMMARY OF PLAN PARTICIPANTS (Continued)

Age and Service Distribution

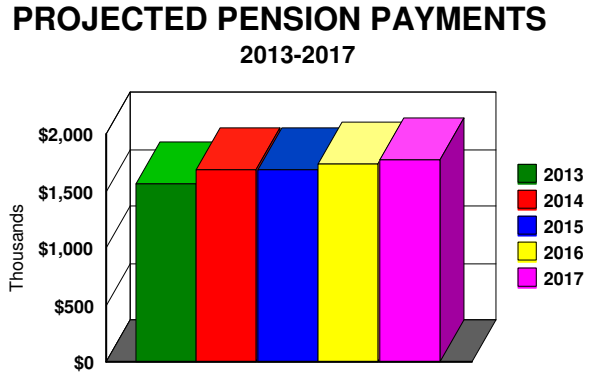
Service Age	0-4	5-9	10-14	15-19	20-24	25-29	30+	Total	Salary
20-24	1							1	59,110
25-29	3							3	72,350
30-34	2	2	2					6	77,271
35-39	1		1					2	90,602
40-44			3	3	1			7	97,778
45-49			1	1	1	1		4	102,005
50-54		1				1		2	90,602
55-59			1					1	83,249
60+									
Total	7	3	8	4	2	2	0	26	87,612
Salary	67,983	80,908	87,443	103,063	111,491	112,266			

Average Age: 39.1 Average Service: 11.0

DURATION (years) Active Members: 20.7 Retired Members: 9.2 All Members: 13.5

PROJECTED PENSION PAYMENTS

2013	2014	2015	2016	2017
$1,570,061	$1,698,214	$1,686,764	$1,745,679	$1,785,212



SUMMARY OF PLAN PROVISIONS

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

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

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

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

Surviving spouses receive (100%) of final salary for fatalities resulting from an act of duty, or otherwise the greater of (50%) of final salary or the employee's retirement benefit.

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

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

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

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

ACTUARIAL METHODS

The Actuarial Methods employed for this valuation are as follows:

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

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

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

Entry Age Normal Cost Method

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

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

ACTUARIAL ASSUMPTIONS

The Actuarial Assumptions used for determining the Tax Levy Requirement and GASB Statements No. 25 & 27 Disclosure Information are the same (except where noted) and have not been changed from the prior year. The Actuarial Assumptions employed for this valuation are as follows:

Valuation Date	April 1, 2012
Asset Valuation Method	5-year Average Market Value
Investment Return	6.25%
Salary Scale	5.50%
Mortality	1971 Group Annuity Mortality Table
Withdrawal	State of Illinois DOI Experience Rates
Disability	State of Illinois DOI Experience Rates
Retirement	State of Illinois DOI Experience Rates (100% by Age 62)
Marital Status	80% Married, Female spouses 3 years younger
Plan Expenses	None

Sample Annual Rates Per 100 Participants

Age	Mortality	Withdrawal	Disability	Retirement
20	0.05	6.00	0.07	
30	0.81	5.10	0.10	
40	0.16	2.85	0.20	
50	0.53		0.52	20.00
60	1.31		0.60	83.33
62	1.59			100.00

GASB STATEMENTS NO. 25 & 27 DISCLOSURE INFORMATION

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

Membership in the plan consisted of the following as of:

	March 31, 2012	March 31, 2011
Retirees and beneficiaries receiving benefits	28	27
Terminated plan members entitled to but not yet receiving benefits	2	1
Active vested plan members	16	18
Active nonvested plan members	10	8
Total	56	54
Number of participating employers	1	1

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
03/31/10	18,904,231	28,764,224	9,859,993	65.7%	2,338,042	421.7%
03/31/11	20,377,515	30,118,976	9,741,461	67.7%	2,292,457	424.9%
03/31/12	21,321,703	31,240,020	9,918,317	68.3%	2,277,911	435.4%

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

ANNUAL PENSION COST AND NET PENSION OBLIGATION

	March 31, 2012	March 31, 2011
Annual required contribution	958,022	1,006,480
Interest on net pension obligation	(24,466)	(23,791)
Adjustment to annual required contribution	19,284	17,999
Annual pension cost	952,840	1,000,688
Contributions made	964,387	1,011,480
Increase (decrease) in net pension obligation	(11,547)	(10,792)
Net pension obligation beginning of year	(391,452)	(380,660)
Net pension obligation end of year	(402,999)	(391,452)

THREE-YEAR TREND INFORMATION

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
03/31/10	782,469	94.1%	(380,660)
03/31/11	1,000,688	101.1%	(391,452)
03/31/12	952,840	101.2%	(402,999)

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

FUNDING POLICY AND ANNUAL PENSION COST

Contribution rates:		
Village	42.34%	44.12%
Plan members	9.91%	Same
Annual pension cost	952,840	1,000,688
Contributions made	964,387	1,011,480
Actuarial valuation date	03/31/2012	03/31/2011
Actuarial cost method	Entry age	Same
Amortization period	Level percentage of pay, closed	Same
Remaining amortization period	21 years	22 years
Asset valuation method	Market	Same
Actuarial assumptions:		
Investment rate of return*	6.25%	Same
Projected salary increases*	5.50%	Same
*Includes inflation at	3.00%	Same
Cost-of-living adjustments	3.00% per year	Same

Actuary

VILLAGE OF WINNETKA

WINNETKA FIREFIGHTERS PENSION FUND

Actuarial Valuation Report

For the Year

Beginning April 1, 2012

And Ending March 31, 2013

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

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INTRODUCTION

Fire-sworn personnel of the Village of Winnetka are covered by the Firefighters Pension Plan that is a defined-benefit, single-employer pension plan. The purpose of this report is to disclose the Tax Levy Requirement and GASB Statements No. 25 & 27 financial information and related actuarial information for the year beginning April 1, 2012, and ending March 31, 2013.

The valuation results reported herein are based on plan provisions in effect as of April 1, 2012, the employee data furnished by the Village, the financial data provided by the Fund's trustee and the actuarial methods and assumptions described later in this report. I hereby certify that this report is complete and accurate and fairly presents the actuarial position of the Fund as of March 31, 2012, in accordance with generally accepted actuarial principles and procedures. In my opinion, the assumptions used are reasonably related to the experience of the Plan and to reasonable expectations.

Respectfully submitted,

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

10/23/2012
Date

SUMMARY OF RESULTS

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

There were no unexpected changes with respect to the participants included in this actuarial valuation (4 new members, 1 termination, 1 retirement, 0 incidents of disability, annual payroll increase 14.4%, average annual salary increase 5.7%).

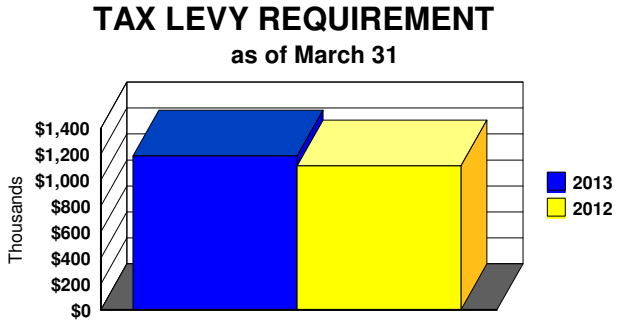
There were no unexpected changes with respect to the Fund's investments from the prior year (annual investment return 6.47%).

The Village's Tax Levy Requirement has increased from $1,108,794 last year to $1,191,031 this year (7.4%). The increase in the Tax Levy is due to the increase in the annual payroll. The Percent Funded has increased slightly from 60.8% last year to 61.1% this year.

SUMMARY OF RESULTS (Continued)

	For Year Ending March 31	
	2013	2012
Tax Levy Requirement	$ 1,191,031	$ 1,108,794

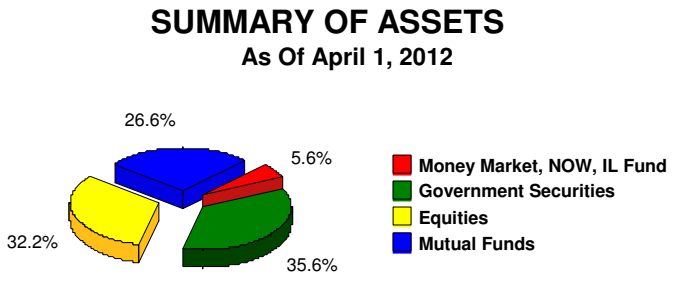
	as of April 1	
	2012	2011
Village Normal Cost	490,171	449,840
Anticipated Employee Contributions	193,147	168,847
Accrued Liability	31,767,269	30,960,065
Actuarial Value of Assets	19,415,058	18,822,037
Unfunded Accrued Liability/(Surplus)	12,352,211	12,138,028
Amortization of Unfunded Accrued Liability/(Surplus)	630,799	593,731
Percent Funded	61.1%	60.8%
Annual Payroll	$ 2,042,804	$ 1,785,796



ACTUARIAL VALUATION OF ASSETS

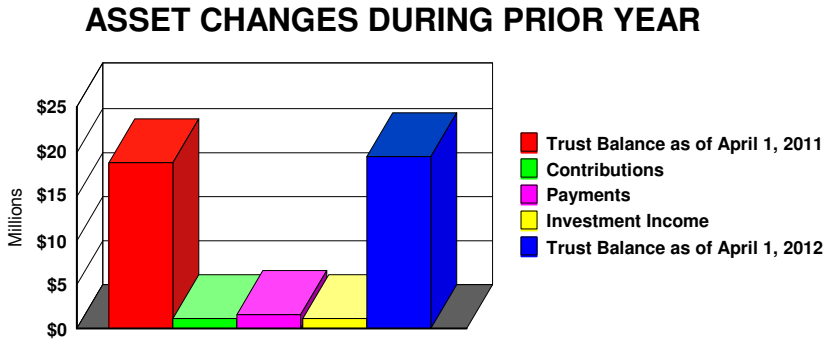
		as of April 1 2012		2011
Money Market, NOW, IL Fund	$	1,085,454	$	595,717
Government Securities		6,922,223		9,572,646
Equities		6,270,358		4,803,091
Mutual Funds		5,170,592		3,531,666
Interest Receivable		57,172		54,100
Miscellaneous Receivable/(Payable)		(58,504)		264,817
Market Value of Assets		19,447,295		18,822,037
Actuarial Value of Assets	$	19,415,058	$	

FYE 2012 (Gain)/Loss: ($40,296)



ASSET CHANGES DURING PRIOR YEAR

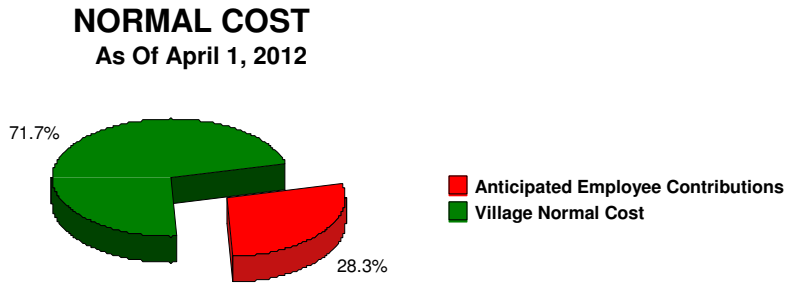
Trust Balance as of April 1, 2011		$	18,822,037
Contributions			
Village	945,074		
Employee	198,414		
Total			1,143,488
Payments			
Benefit Payments	1,683,454		
Expenses	33,528		
Total			1,716,982
Investment Income			1,198,752
Trust Balance as of April 1, 2012		$	19,447,295
Approximate Annual Rate of Return			6.47%



NORMAL COST

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

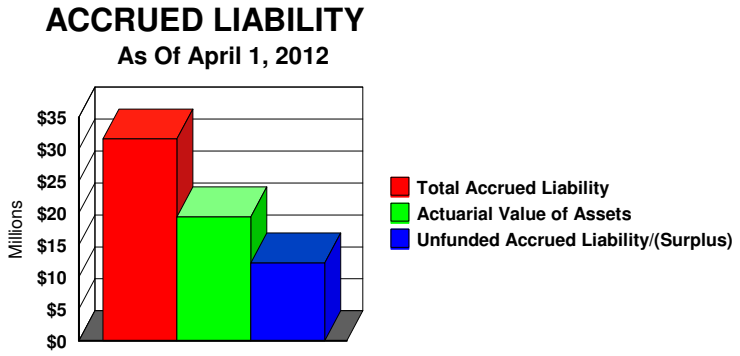
		as of April 1		
		2012		2011
Total Normal Cost	$	683,318	$	618,687
Anticipated Employee Contributions		193,147		168,847
Village Normal Cost		490,171		449,840
Normal Cost Payroll	$	2,042,804	$	1,785,796
Village Normal Cost Rate		24.00%		25.19%
Total Normal Cost Rate		33.45%		34.64%



ACCRUED LIABILITY

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

		as of April 1		
Accrued Liability		2012		2011
Active Employees	$	9,378,234	$	9,155,542
Children Annuities		0		0
Disability Annuities		1,204,594		1,188,674
Retirement Annuities		19,520,486		18,573,555
Surviving Spouse Annuities		1,663,955		2,042,294
Terminated Vested Annuities		0		0
Total Annuities		22,389,035		21,804,523
Total Accrued Liability		31,767,269		30,960,065
Actuarial Value of Assets		19,415,058		18,822,037
Unfunded Accrued Liability/(Surplus)	$	12,352,211	$	12,138,028
Percent Funded		61.1%		60.8%

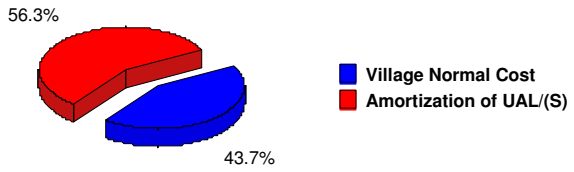


TAX LEVY REQUIREMENT

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

	For Year Ending March 31	
	2013	2012
Village Normal Cost as of Beginning of Year	$ 490,171	$ 449,840
Amortization of Unfunded Accrued Liability/(Surplus)	630,799	593,731
Interest for One Year	70,061	65,223
Tax Levy Requirement as of End of Year	$ 1,191,031	$ 1,108,794
Public Act 096-1495 Tax Levy Requirement		
1) Normal Cost (PUC)	488,651	410,000
2) Accrued Liability (PUC)	31,118,919	30,287,159
3) Amortization Payment	326,590	311,049
4) Interest for One Year	50,953	45,066
5) PA 096-1495 Tax Levy Requirement (1 + 3 + 4)	$ 866,194	766,115

TAX LEVY REQUIREMENT
For Fiscal Year Ending March 31, 2013



SUMMARY OF PLAN PARTICIPANTS

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

Name
Sex
Date of Birth
Date of Hire
Compensation
Employee Contributions

The information provided for Inactive participants included:

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

Membership	2012	2012	2011	2011
Current Employees				
Vested	12		13	
Nonvested	12		9	
Total	24		22	
Inactive Participants		Annual Benefits		Annual Benefits
Children	0	$ 0	0	$ 0
Disabled Employees	2	94,607	2	90,025
Retired Employees	22	1,381,644	23	1,332,173
Surviving Spouses	6	216,668	8	285,477
Terminated Vesteds	0	0	0	0
Total	30	1,692,919	33	1,707,675
Annual Payroll		$ 2,042,804		$ 1,785,796

SUMMARY OF PLAN PARTICIPANTS (Continued)

Age and Service Distribution

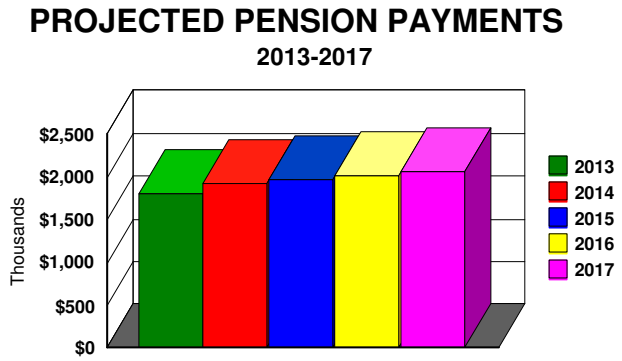
Service Age	0-4	5-9	10-14	15-19	20-24	25-29	30+	Total	Salary
20-24									
25-29	3							3	64,982
30-34	5	1						6	73,671
35-39			4					4	97,587
40-44		2	1					3	87,439
45-49					2			2	93,034
50-54	1			3	1			5	96,767
55-59						1		1	83,269
60+									
Total	9	3	5	3	3	1	0	24	85,117
Salary	74,924	85,157	96,469	86,178	96,290	83,269			

Average Age: 39.5 Average Service: 10.1

DURATION (years) Active Members: 19.3 Retired Members: 9.6 All Members: 12.3

PROJECTED PENSION PAYMENTS

2013	2014	2015	2016	2017
$1,808,235	$1,918,049	$1,972,077	$2,014,866	$2,073,311



SUMMARY OF PLAN PROVISIONS

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

The Village of Winnetka Firefighters Pension Fund was created and is administered as prescribed by "Article 4. Firefighters' Pension Fund - Municipalities 500,000 and Under" of the Illinois Pension Code (Illinois Compiled Statutes, 1992, Chapter 40). A brief summary of the plan provisions is provided below.

Employees attaining the age of (50) or more with (20) or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the salary attached to the rank held on the last day of service. The pension shall be increased by (1/12) of (2.5%) of such monthly salary for each additional month of service over (20) years up to (30) years, to a maximum of (75%) of such monthly salary.

Employees with at least (10) years but less than (20) years of credited service may retire at or after age (60) and receive a reduced benefit ranging from (15%) of final salary for (10) years of service to (45.6%) for 19 years of service.

Surviving spouses receive (100%) of final salary for fatalities resulting from an act of duty, or otherwise the greater of (54%) of final salary or the monthly retirement pension that the deceased firefighter was receiving at the time of death. Surviving children receive (12%) of final salary. The maximum family survivor benefit is (75%) of final salary.

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

The monthly pension of a covered employee who retired with (20) or more years of service after January 1, 1977, shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least (55) years, by (3%) of the amount of the pension payable at the time of the increase.

Employees are required to contribute (9.455%) of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than twenty (20) years of service, accumulated employee contributions may be refunded without accumulated interest.

For Employees hired after January 1, 2011, the annual retirement benefit is (2.5%) of final average salary for each year of service up to (30) years, to a maximum of (75%) of such salary, the Normal Retirement age is attainment of age 55 and completion of 10 years of service; Early Retirement age is attainment of age 50, completion of 10 years of service and the Early Retirement Factor is 6% per year; the Employee's Accrued Benefit is based on the Employee's final 8-year average salary not to exceed $106,800 (as indexed); Cost-of-living adjustments are simple increases (not compounded) of the lesser of 3% or 50% of CPI beginning the later of the anniversary date and age 60; Surviving Spouse's Benefits are 66 2/3% of the Employee's benefit at the time of death.

ACTUARIAL METHODS

The Actuarial Methods employed for this valuation are as follows:

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

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

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

Entry Age Normal Cost Method

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

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

ACTUARIAL ASSUMPTIONS

The Actuarial Assumptions used for determining the Tax Levy Requirement and GASB Statements No. 25 & 27 Disclosure Information are the same (except where noted) and have not been changed from the prior year. The Actuarial Assumptions employed for this valuation are as follows:

Valuation Date	April 1, 2012
Asset Valuation Method	5-year Average Market Value
Investment Return	6.25%
Salary Scale	5.50%
Mortality	1971 Group Annuity Mortality Table
Withdrawal	State of Illinois DOI Experience Rates
Disability	State of Illinois DOI Experience Rates
Retirement	State of Illinois DOI Experience Rates (100% by Age 62)
Marital Status	80% Married, Female spouses 3 years younger
Plan Expenses	None

Sample Annual Rates Per 100 Participants

Age	Mortality	Withdrawal	Disability	Retirement
20	0.05	4.02	0.17	
30	0.81	2.56	0.20	
40	0.16	1.14	0.30	
50	0.53		0.62	20.00
60	1.31		1.84	83.33
62	1.59			100.00

GASB STATEMENTS NO. 25 & 27 DISCLOSURE INFORMATION

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

Membership in the plan consisted of the following as of:

	March 31, 2012	March 31, 2011
Retirees and beneficiaries receiving benefits	30	33
Terminated plan members entitled to but not yet receiving benefits	0	0
Active vested plan members	12	13
Active nonvested plan members	12	9
Total	54	55
Number of participating employers	1	1

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
03/31/10	17,798,993	28,103,078	10,304,085	63.3%	2,086,790	493.8%
03/31/11	18,822,037	30,960,065	12,138,028	60.8%	1,785,796	679.7%
03/31/12	19,447,295	31,767,269	12,319,974	61.2%	2,042,804	603.1%

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

ANNUAL PENSION COST AND NET PENSION OBLIGATION

	March 31, 2012	March 31, 2011
Annual required contribution	938,956	936,668
Interest on net pension obligation	(24,576)	(23,900)
Adjustment to annual required contribution	19,371	18,081
Annual pension cost	933,751	930,849
Contributions made	945,074	941,668
Increase (decrease) in net pension obligation	(11,323)	(10,819)
Net pension obligation beginning of year	(393,222)	(382,403)
Net pension obligation end of year	(404,545)	(393,222)

THREE-YEAR TREND INFORMATION

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
03/31/10	789,450	106.4%	(382,403)
03/31/11	930,849	101.2%	(393,222)
03/31/12	933,751	101.2%	(404,545)

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

FUNDING POLICY AND ANNUAL PENSION COST

Contribution rates:		
Village	46.264%	52.731%
Plan members	9.455%	Same
Annual pension cost	933,751	930,849
Contributions made	945,074	941,668
Actuarial valuation date	03/31/2012	03/31/2011
Actuarial cost method	Entry age	Same
Amortization period	Level percentage of pay, closed	Same
Remaining amortization period	21 years	22 years
Asset valuation method	Market	Same
Actuarial assumptions:		
Investment rate of return*	6.25%	Same
Projected salary increases*	5.50%	Same
*Includes inflation at	3.00%	Same
Cost-of-living adjustments	3.00% per year	Same

To: Village Council

From: Ed McKee, Jr., Finance Director EM

Date: September 24, 2012

Re: 2012 Property Tax Levy Analysis

The Village of Winnetka is primarily a residential community that pays for traditional municipal services with property tax revenues. Additionally, the Village operates several utility funds where users pay for those costs with rates that reflect the Village's costs.

Historical Data

The Village's share of a typical Winnetkan's total property tax bill has declined 22.5% from 17.23% in 1997 to 13.36% today. This reduction was achieved by reducing employee headcount from 178 in 1989 to 154 currently. Over the last 14 years, the Village's property taxes have grown slightly less than the rate of inflation for a typical homeowner. The following chart contrasts the distribution of property taxes among the taxing districts in 1997 and 2011 for a hypothetical tax payer. The hypothetical taxpayer is assumed to have a 1997 property tax bill of $14,877 and a 2011 property tax bill of $26,345.

Comparison of Property Taxes Paid
Typical Taxing Districts in Winnetka
2011 Versus 1997

2012.09.17

	1997 *			2011 **			Increase in	%
	Tax Rate	Taxes Paid	%	Tax Rate	Taxes Paid	%	Taxes Paid	Change
Winnetka Public Schools	2.723	$4,712	31.67%	2.782	$10,460	39.70%	$5,748	122.0%
New Trier High School	1.967	$3,404	22.88%	1.674	$6,294	23.89%	$2,890	84.9%
Village of Winnetka	1.481	$2,563	17.23%	0.936	$3,519	13.36%	$956	37.3%
Cook County	1.028	$1,779	11.96%	0.520	$1,955	7.42%	$176	9.9%
Winnetka Park District	0.445	$770	5.18%	0.310	$1,166	4.43%	$396	51.4%
Water Reclamation District	0.451	$780	5.24%	0.320	$1,203	4.57%	$423	54.2%
All Others	0.502	$869	5.84%	0.465	$1,748	6.63%	$879	101.2%
Total	8.597	$14,877	100.00%	7.007	$26,345	100.00%	$11,468	77.1%

Consumer Price Index - U	158.600	219.179	14 Year Increase in CPI >>	38.2%
CPI Index (December, 14 years)	1996	2010	Annual Geometric Mean >	2.3%

* 1997 Property taxes paid in March and August 1998.
** 2011 Property taxes paid in March and August 2012.

Below is a graph that depicts how much of each property tax dollar is received by the various taxing districts. The Villages receives 13.36 cents of every property tax dollar paid:

In 2005 the Village established a formal process to evaluate the prior tax levy for the next year. The staff was instructed to analyze four key measures of financial strength on a scale of 1 to 10. A higher score reflects a stronger financial position, which should allow for a lower property tax request.

Below is a summary of the factor ratings for the 2012 property tax levy (*see note 1 for detail on the factors and evaluation criteria*):

	Levy Year					
Factor	2012	2011	2010	2009	2008	2007
Budget Projections	9	8	8	8	8	8
Cash Reserves	10	10	10	10	10	9
Projected Capital ##	7	8	8	8	8	8
Pension Funding	4	4	4	4	6	6
Total	30	30	30	30	32	31

The 2012 property tax levy column anticipates drawing down $3 million to $6 million for stormwater projects in the 2013/14 budget.

The Village has kept property tax increases to less than that allowed by tax caps for non-home rule communities. Tax caps essentially limit the percentage increase in the property tax levy to the percentage increase in the consumer price index for the prior December, plus the increase in the tax base attributable to new development. The December 2011 CPI increased 3.0%, so that is the first part of the calculation of how much a non-home rule community could increase property taxes.

The next piece of the calculation involves some judgment and is an estimate. The Village receives a report each fall from Cook County that indicates the amount the tax base increased due to new development (new homes, remodeling, commercial building activity, etc.). The average new development increase, as shown on the Village of Winnetka Tax Levy History Sheet, is 1.5% from 2001 to 2011. Unfortunately, the increase in new development does not correlate well with building department data. For example, the 2010 and 2011 new development increase was 0.9% despite an increase in building permit revenues. The Staff believes adjusting the long-term average rate down 0.2% is reasonable, though it would not be surprising if the new development amount for 2012 ends up in the 0.9% range as it has the last two years.

Given the Village's overall financial position, a property tax levy increase of 1.7% or $45 on a $20,000 property tax bill *(see note 2),* for existing homeowners is recommended.

Because new development is an estimate, the exact impact of the proposed property tax levy is a range. The chart below summarizes that a taxpayer is likely to see an increase of between 1.5% ($40 annual increase) and 2.1% ($56 annual increase) based on the staff's recommendation and a $20,000 property tax bill. The non-home rule increase is 3.0% or $80 for the same taxpayer. Cumulatively, the Village is under the tax cap amount by 3.9% or $104 annually on a $20,000 property tax bill *(see note 3).*

Below is a chart summarizing property tax increase percentages under different assumptions:

	Amount Recommended	If new Development is 1.5%	If new Development is 0.9%	Estimated Non-Home Rule Limit
Existing residential increase	1.7%	1.5%	2.1%	3.0%
$20,000 taxpayer cost	$45	$40	$56	$80
New development	1.3%	1.5%	0.9%	1.3%
Property tax increase to Village	3.0%	3.0%	3.0%	4.3%

From a budget standpoint, the Village has settled the police and fire union contracts so that there is certainty in budgeting wage adjustments for the next two years. The pay adjustments and other changes, such as increasing the employee contribution for health insurance costs, should keep the need for new dollars to a level that is within the tax cap limits.

The proposed 2012 property tax levy provides additional dollars for operating needs only and does not generate any additional dollars for stormwater improvements.

Capital Improvements:

If the Village Council wanted to increase property taxes beyond the 1.7% for existing residents reflected in the prior analysis, that could be a logical policy decision given the likely stormwater expenditures over the next few years. Staff did not feel comfortable making a higher tax levy recommendation given that the capital plan is subject to change and program costs are still being refined.

In the 2013/2014 capital plan year alone it is anticipated that $6 million dollars will be invested in stormwater projects. This will reduce General Fund reserves by 1/3rd from $24.39 million on 4/1/2012 to $16.11 million on 3/31/2014 if bonds are not issued to pay for these improvements. The Village would also be issuing a substantial amount of bonds should major stormwater infrastructure be installed to drain storm water from the western portion of the community into Lake Michigan. A minimum General Fund reserve balance target of $11 million has been discussed by previous Councils, leaving a discretionary balance of around $5.1 million.

As a point of reference, each 1% increase in the property tax levy generates about $135,000 of annual revenue for the Village and increases the amount of property taxes paid by a homeowner (with a $20,000 total property tax bill) by $26 per year. Another point of reference is how debt issuance costs might impact the property tax levy. For example, a $10,000,000 bond with a 4% interest rate would cost $510,000 per year if paid off over 30 years, or $740,000 per year if paid off over 20 years. These debt payments would cost the above mentioned taxpayer $102 per year for 30 years or $147 per year for 20 years (*see note 4*).

Pensions:

The Village has been highlighting pension liabilities for over a decade during our budget process. Below is data extracted from the Village's March 31, 2012 Comprehensive Annual Financial Report. The data indicates that the Village's pension plans are 62% funded and that an additional $35.08 million would be needed to reach 100% funded status.

Village of Winnetka
Summary of Pension Plan Funding
Amounts are in Millions **

	A Assets	B Liabilities	= A / B % Funded	= B - A $'s Needed at 100%
IMRF *	$ 18.96	$ 32.16	59%	$ 13.20
Police	$ 20.38	$ 30.12	68%	$ 9.74
Fire	$ 18.82	$ 30.96	61%	$ 12.14
Total	$ 58.16	$ 93.24	62%	$ 35.08

* Illinois Municipal Retirement Fund, covers all non-sworn Police and Fire personnel.

** Data taken from 3/31/2012 CAFR, page 52

It should be remembered that pension liabilities are usually paid down over long time periods, normally the employees remaining tenure with the Village. The Village has made and expects to continue making the full actuarially determined contributions to all three pension plans. The cost of these contributions is already included in the operating budgets of the appropriate Village Departments.

Because of the Village's conservative financial policies (adopting a reasonable budget, reducing staff when possible, and carrying significant cash reserves) we have weathered the financial stresses well compared to other municipalities. In absolute terms, however, the outlook remains guarded.

In terms of process, the Village Council should set the preliminary amount of the property tax levy at least sixty days prior to adoption of the property tax levy. This will be accomplished at the October 2, 2012 Council Meeting. The Ordinances will then be introduced at the November 20, 2012 Council Meeting and Adopted at the December 4, 2012 Council Meeting. By law, the property tax levy ordinances must be filed by the last Tuesday in December.

Staff will be available at the Council Meeting to present this material, answer questions, and make whatever changes are deemed appropriate by the Council.

Recommendation:

Review the provided materials and provide staff direction on the 2012 property tax levy.

Attachments:

Item	Attachment
Comparison of Property Taxes Paid 2011 versus 1997	A
Tax Levy History	B
Draft Property Tax Calculations	C
General Fund Budget Projections	D
General Fund Cash Projections	E
Pension Fund Information	F
Schedule of Special Service Area Financing	G

Note 1:

The Council and staff developed a framework in November 2005 to evaluate property tax revenue requests for the Village. The primary objective is to keep property taxes low over the long term without compromising the ability to complete capital projects on a pay as you go method. The main factors considered in setting the property tax levy are 1) budget strength (as measured in terms of revenues matching expenses), 2) cash balances, 3) projected capital, and 4) pension funding. A higher rating allows for a lower property tax levy amount without compromising the Village's financial health.

A score of 1 to 10 is assigned to each category. A score of 1 indicates the financial position is very weak and expenses/capital projects should be eliminated and / or revenues increased. A ranking of 10 indicates strong operating revenues, solid reserves, and properly funded pension liabilities which would allow operations to continue without any significant tax or fee increases.

While the preliminary 2014 budget projection indicates flat revenues, staff understands the Council's direction to limit tax and fee increases for homeowners. The overall financial rating of 30 out of a possible 40 for the 2012 property tax levy falls at the high end of the moderate financial category. In addition to supporting the staff's property tax recommendation, the moderate financial category would also suggest modest service reductions and / or revenue increases.

Below is a summary of the ratings for the various factors used in suggesting a property tax levy amount for the Village:

	Levy Year					
Factor	2012	2011	2010	2009	2008	2007
Budget Projections	9	8	8	8	8	8
Cash Reserves	10	10	10	10	10	9
Projected Capital ##	7	8	8	8	8	8
Pension Funding	4	4	4	4	6	6
Total	30	30	30	30	32	31

The 2012 property tax levy column anticipates drawing down $3 million to $6 million for stormwater projects in the 2012/13 budget.

A rating of 30 for 2012 suggests the Village should capture all of the inflationary increase and all of the new development increase as explained on the following page:

Score/ Finances are …	Tax Levy Recommendation	Because the tax levy should…
35 – 40 Very Strong	Maintain same dollar amount, consider new development $'s.	Be gradually reduced in real dollars consistent with the Village's needs.
31 -34 Strong	Capture new development $'s and some or all of the inflation increase.	Be increased somewhat to offset the impact of inflation on costs.
26 – 30 * Moderate	***Capture new development $'s, all of the inflation increase, and consider modest service reductions and / or other revenue increases.***	***Be increased to offset inflation and stabilize revenues for operational and capital needs.***
21 – 25 Weak	Capture new development $'s, all of the inflation increase, and consider noticeable service reductions and / revenue increases.	Be increased to offset inflation and stabilize revenues for operations and capital needs. Additional increases possible to rebuild revenues.
20 and Below Very Weak	Capture new development $'s, all of the inflation increase, and consider significant service reductions and / revenue increases.	In addition to the reasons under "Weak", consider additional increases to rebuild cash balances.

Note 2: *The increase for a typical homeowner was calculated as follows:*

		Suggested Amount
Current Property Taxes	$	20,000
Village Portion (13.36%)	$	2,672
% Increase paid #		1.7%
Dollar Increase	$	45

assumes new development increases the tax base by 1.3%.

Note 3: *The maximum increase possible within the tax cap amount:*

Proposed 2012 tax levy amount	$	13,875,587
Dollars 2012 levy is under the cap	$	519,601
% increase possible		3.9%
A $20,000 property tax payer gives the Village 13.36% or this amount per year	$	2,672
A 3.9% increase equates to	$	104

Note 4: *Projected increase in homeowner costs of a 4% bond issue of $10,000,000 for 20 or 30 years:*

	20 Year	30 year
Total property taxes paid	$ 20,000	$ 20,000
Village Portion at 13.36%	$ 2,672	$ 2,672
Annual Debt Service	$ 740,000	$ 510,000
2011 Property tax levy	$ 13,472,400	$ 13,472,400
Principal and interest as a % of taxes	5.5%	3.8%
Annual impact on a $20,000 tax payer	$ 147	$ 102

Attachment A

Comparison of Property Taxes Paid
Typical Taxing Districts in Winnetka
2011 Versus 1997

2012.09.17

	1997 *			2011 **			Increase in	%
	Tax Rate	Taxes Paid	%	Tax Rate	Taxes Paid	%	Taxes Paid	Change
Winnetka Public Schools	2.723	$4,712	31.67%	2.782	$10,460	39.70%	$5,748	122.0%
New Trier High School	1.967	$3,404	22.88%	1.674	$6,294	23.89%	$2,890	84.9%
Village of Winnetka	1.481	$2,563	17.23%	0.936	$3,519	13.36%	$956	37.3%
Cook County	1.028	$1,779	11.96%	0.520	$1,955	7.42%	$176	9.9%
Winnetka Park District	0.445	$770	5.18%	0.310	$1,166	4.43%	$396	51.4%
Water Reclamation District	0.451	$780	5.24%	0.320	$1,203	4.57%	$423	54.2%
All Others	0.502	$869	5.84%	0.465	$1,748	6.63%	$879	101.2%
Total	8.597	$14,877	100.00%	7.007	$26,345	100.00%	$11,468	77.1%

Consumer Price Index - U	158.600	219.179	14 Year Increase in CPI >>	38.2%
CPI Index (December, 14 years)	1996	2010	Annual Geometric Mean >	2.3%

* 1997 Property taxes paid in March and August 1998.

** 2011 Property taxes paid in March and August 2012.

Village of Winnetka
Tax Levy History

2012.09.17

Attachment B

	Non-Home Rule Calculations				Actual Levy		$'s Less Than NHR Limit	
	CPI Increase	New Develop.	Total	Max. Levy Possible (Excludes SSA's)	Actual Levy	% From PY	$'s Under Max. This Year	$'s Under Max. Cumulative
				$8,980,481				
2001 Actual	3.4%	1.5%	4.9%	$9,419,625	$9,419,625	4.9%		
2002 Actual	1.6%	1.3%	2.9%	$9,694,132	$9,694,132	2.9%		
2003 Actual *	2.4%	1.2%	3.6%	$10,047,643	$10,047,643	3.6%		
2004 Actual	2.5%	2.0%	4.5%	$10,496,453	$10,496,453	4.5%		
2005 Actual **	3.3%	*1.8%*	5.1%	$11,031,772	$10,969,000	4.5%	$62,772	$62,772
2006 Actual	3.4%	*1.9%*	5.3%	$11,616,456	$11,435,181	4.2%	$181,275	$244,047
2007 Actual	2.5%	*1.8%*	4.3%	$12,115,964	$11,972,591	4.7%	$143,373	$387,420
2008 Actual	4.1%	*1.9%*	6.0%	$12,842,922	$12,535,303	4.7%	$307,619	$695,039
2009 Actual	0.1%	*1.2%*	1.3%	$13,009,880	$12,748,403	1.7%	$261,477	$956,516
2010 Actual	2.7%	*0.9%*	3.6%	$13,478,236	$13,105,359	2.8%	$372,877	$1,329,393
2011 Actual	1.5%	*0.9%*	2.4%	$13,801,714	$13,472,400	2.8%	$329,314	$1,658,707
2012 Proposed Tax Levy ***	**3.0%**	***1.3%***	**4.3%**	$14,395,188	***$13,875,587***	***3.0%***	$519,601	$2,178,308
Average '01-'11	2.5%	1.5%	4.0%		Proposed Incr.	3.0%		
					New Develop.	-1.3%		
					Net Increase	1.7%		

* The 2003 CPI amount of 1.9% plus a 0.6% increase for a fire pension change outside of the tax cap totals the 2.5% shown.

** In 2005, the Village became home rule which removed tax caps. The Max. Levy Possible column reflects the maximum property tax levy the Village could receive if we were still operating under tax caps.

*** The 2012 CPI increase, based on the cal. 2011 CPI change is 3.0%.

Village of Winnetka
Property Tax Levy Calculations

Attachment C

2012.09.17

***** DRAFT *****

Tax Levy Category	Column A 2011 Actual Tax Levy	Column B 2012 Proposed Tax Levy	Column C (Column B - A) Dollar Change	C/A*100 Percent Change
General Fund:				
Corporate	$10,132,173	$10,429,173	$297,000	2.9%
FICA/Social Security	$0	$0	$0	#DIV/0!
IMRF	$0	$0	$0	#DIV/0!
Sub Total General	$10,132,173	$10,429,173	$297,000	2.9%
Other Funds:				
Police Pension	$992,534	$1,043,000	$50,466	5.1%
Fire Pension	$1,108,794	$1,165,000	$56,206	5.1%
Storm Water Utility			$0	
Refuse Utility	$1,100,000	$1,100,000	$0	0.0%
Debt Service - Resurfacing 1999	$138,899	$138,414	($485)	-0.3%
Debt Service - Stormwater 2012			$0	
Total Village-wide Tax Levy	$13,472,400	$13,875,587	$403,187	**3.0%**
Less: Projected New Development				
@ 1.3%, (0.3% less than 10 yr. av.)		($175,141)	($175,141)	-1.3%
Existing Tax Payer Increase	$13,472,400	$13,700,446	$228,046	**1.7%**

Increase Based on Total Property Tax Bill

Total Property Taxes Paid 100.00%	Other Taxing Distr. 86.64%	Village 13.36%	1.70% of Village
$10,000	$8,664	$1,336	$23
$15,000	$12,996	$2,004	$34
$20,000	$17,328	$2,672	$45
$26,000	$22,526	$3,474	$59
$40,000	$34,656	$5,344	$91

Village of Winnetka
General Fund Budget Projections

In Millions of Dollars

Attachment D

2012.09.25

	A		B	C					
	2014 Projected Budget ^	% Change (A vs. B)	2013 9.24.12 Estimate	2013 Budget	2012 Audit	2011 Audit	2010 Audit	2009 Audit	2008 Audit
Revenues:									
Property Tax	$ 12.64	3.4%	$ 12.23	$ 12.23	$ 12.30	$ 11.27	$ 11.69	$ 10.70	$ 10.01
Permits	$ 1.30	-7.1%	$ 1.40	$ 1.29	$ 1.68	$ 2.00	$ 1.50	$ 1.54	$ 1.53
Payment in Lieu of Taxes	$ 1.41	0.0%	$ 1.41	$ 1.41	$ 1.29	$ 1.34	$ 1.38	$ 1.32	$ 1.42
Transfers	$ 1.84	1.7%	$ 1.81	$ 1.77	$ 1.81	$ 1.84	$ 1.82	$ 1.78	$ 1.72
Sales Tax	$ 1.30	0.0%	$ 1.30	$ 1.10	$ 1.32	$ 1.23	$ 1.18	$ 1.30	$ 1.50
Income Tax	$ 1.00	7.5%	$ 0.93	$ 0.93	$ 0.98	$ 0.94	$ 0.99	$ 1.18	$ 1.14
Telecom. Tax	$ 0.60	-57.1%	$ 1.40	$ 0.65	$ 0.64	$ 0.67	$ 0.72	$ 0.73	$ 0.73
Services	$ 1.11	0.0%	$ 1.11	$ 1.11	$ 0.98	$ 0.98	$ 0.93	$ 0.92	$ 0.82
Natural Gas Tax	$ 0.40	0.0%	$ 0.40	$ 0.45	$ 0.46	$ 0.44	$ 0.46	$ 0.70	$ 0.62
Interest **	$ 0.10	-23.1%	$ 0.13	$ 0.13	$ 0.24	$ 0.28	$ 0.42	$ 0.55	$ 0.65
All Others	$ 1.55	0.0%	$ 1.55	$ 1.55	$ 1.78	$ 1.79	$ 1.97	$ 1.18	$ 2.04
Total Revenues	$ 23.25	-1.8%	$ 23.67	$ 22.62	$ 23.48	$ 22.78	$ 23.06	$ 21.28	$ 22.18
Expenses:									
Operations #	$ 20.74	5.5%	$ 19.66	$ 19.22	$ 18.27	$ 18.61	$ 18.56	$ 17.84	$ 17.06
Transfers Out (in) ***	$ 6.55	89.9%	$ 3.45	$ 3.45	$ 1.30	$ 1.02	$ (1.28)	$ 0.90	$ 4.80
Operations total	$ 27.29	18.1%	$ 23.11	$ 22.67	$ 19.57	$ 19.63	$ 17.28	$ 18.74	$ 21.86
Margin from Operations	$ (4.04)	-821.7%	$ 0.56	$ (0.05)	$ 3.91	$ 3.15	$ 5.78	$ 2.54	$ 0.32
Capital *	$ 2.40	0.0%	$ 2.40	$ 3.01	$ 1.87	$ 2.10	$ 2.19	$ 2.34	$ 2.40
Net Margin, After Capital	$ (6.44)		$ (1.84)	$ (3.06)	$ 2.04	$ 1.05	$ 3.59	$ 0.20	$ (2.08)

^ The amount shown is the annual budget, though the Village will be moving to a calendar fiscal year effective 1/1/2014.
# 2013 based on 5.5% increase in operations. This is a 3 year wage adjustment catch up (1.5% in 12, 2.25% in 13, and 2.50% in 14). The average annual increase from 2010 to 2014 is $545,000 or 2.8% of the 2013 budgeted operating expenses of $19.22 million.
* The Village anticipates $2.4 million annually for routine capital.
** Assumes $20.0 m balance @ 1.50% earnings rate.
*** 2008 amount includes $800k for refuse (Downtown Red.$2.5m & Facilities $1.5m excluded).
2010 includes $750k for refuse and $825k for streetscape. 2011 includes $550k for refuse and $2.85m to close Streetscape Fund.
2012 amount includes refuse $550k, Village Hall $500k.
2013 amount includes refuse $550k, Village Hall $700k, storm sewer fund $2,200k.
2014 amount includes $550k refuse, $6.0m for stormwater ($3.0m NW Winnetka, $1.5m NE Winnetka, tunnel engineering $1.5m).

Points Earned for Revenues and Operating Expenses

(maximum 5 points each)

Proposed Schedule:

Revenues (Estimated as a % of Budget)	< 92%	92-94	94-96	96-97%	98-102%	***>102%***
Points Assigned *	0	1	2	3	4	***5***

Operating Expenses (Estimated as a % of Budget)	< 98%	***98-102%***	102-104%	> 105%
Points Assigned *	5	***4***	2	0

* Points assignment calculated as:

2013 estimated revenue points	$ 23.67	estm. /	$ 22.62		budget =	105%
2013 estimated expense points ^	$ 23.11	estm. /	$ 22.67		budget =	102%

^ The Village did not budget a wage adjustment in 2012 or 2013.

Village of Winnetka
General Fund Cash Projections
In Millions of Dollars

Attachment E

2012.09.25

	Estimated 2013	Proj. FYE 2014	
Fund Balance 4/1/2012	$ 24.39	$ 22.55	Fund Balance 4/1/2013
Estimated revenues	$ 23.67	$ 23.25	
Less:			
Estimated Operating Expenses	$ (19.66)	$ (20.74)	
Equals: Operating cash-flow	$ 4.01	$ 2.51	
Less:			
Estimated capital outlay **	$ (2.40)	$ (2.40)	
Estimated transfers to other funds	$ (3.45)	$ (6.55)	
Annual cash-flow	$ (1.84)	$ (6.44)	
Fund Balance 3/31/2013	$ 22.55	$ 16.11	Fund Balance 4/1/2014
Ending Cash as a % of Operating Expenses and Capital Expenses	115%	78%	

*** Estimated at the historical norm of about $2.4 million per year.*

Points Earned for Cash Balances

Projected 2014 Ranking:

Cash as a % of Operating expenses	*< 15%*	*16 - 25%*	26%-45%	46%- 65%	***> 66%***
Points Assigned	*0*	*3*	6	9	***10***

Village of Winnetka
Pension Fund Information
Summary of All Pension Plans
(in millions of dollars)

Background Information:

Number of Current Employees:		154
Current investment rate assumption:		varies
Current salary progression assumption:		varies
Asset valuation method:		varies
Most recent annual Village cost:	$	3.27
Most recent annual employee cost:	$	0.85

	Assets	Liabilities	$'s Unfunded	% Funded	Covered Payroll
Data as of 3/31/2012 CAFR *	$ 58.16	$ 93.24	$ 35.08	62%	$ 13.25
2011 CAFR	$ 57.50	$ 91.36	$ 33.86	63%	$ 13.65
2010 CAFR	$ 53.45	$ 87.07	$ 33.62	61%	$ 13.80
2009 CAFR	$ 57.78	$ 83.14	$ 25.36	69%	$ 13.01
2008 CAFR	$ 62.40	$ 80.72	$ 18.32	77%	$ 12.22
2007 CAFR	$ 57.84	$ 76.29	$ 18.45	76%	$ 11.88
Difference, 2012 - 2007	$ 0.32	$ 16.95	$ 16.63	13%	$ 1.37
Percent difference, 2012 vs. 2007	1%	22%	90%		12%

* Comprehensive Annual Financial Report a/k/a Audit.

Village of Winnetka
Pension Fund Information
Illinois Municipal Retirement Fund
(in millions of dollars)

Background Information: (most recent data as of 12/31/2011)

Number of Current Employees:	103
Current investment rate assumption:	7.50%
Current salary progression assumption:	varies
Asset valuation method:	5 year smoothed market
Most recent annual Village cost:	$ 1.36
Most recent annual employee cost:	$ 0.41

	Assets	Liabilities	$'s Unfunded	% Funded	Covered Payroll
Data as of 3/31/2012 CAFR *	$ 18.96	$ 32.16	$ 13.20	59%	$ 9.17
2011 CAFR	$ 20.80	$ 32.85	$ 12.05	63%	$ 9.22
2010 CAFR	$ 22.27	$ 33.89	$ 11.62	66%	$ 9.48
2009 CAFR	$ 22.57	$ 32.16	$ 9.59	70%	$ 8.88
2008 CAFR	$ 27.30	$ 31.77	$ 4.47	86%	$ 8.52
2007 CAFR	$ 24.84	$ 29.69	$ 4.85	84%	$ 8.08
Difference, 2012 - 2007	$ (5.88)	$ 2.47	$ 8.35	25%	$ 1.09
Percent difference, 2012 vs. 2007	-24%	8%	172%		13%

* Comprehensive Annual Financial Report a/k/a Audit.

Village of Winnetka
Pension Fund Information
Police Pension Fund
(in millions of dollars)

(most recent data as of 3/31/2011)

Background Information:

Number of Current Employees:		27
Current investment rate assumption:		6.25%
Current salary progression assumption:		5.50%
Asset valuation method:		market
Most recent annual Village cost:	$	0.96
Most recent annual employee cost:	$	0.24

	Assets	Liabilities	$'s Unfunded	% Funded	Covered Payroll
Data as of 3/31/2012 CAFR *	$ 20.38	$ 30.12	$ 9.74	68%	$ 2.29
2011 CAFR	$ 18.90	$ 29.63	$ 10.73	64%	$ 2.34
2010 CAFR	$ 16.05	$ 26.89	$ 10.84	60%	$ 2.32
2009 CAFR	$ 18.21	$ 25.07	$ 6.86	73%	$ 2.27
2008 CAFR	$ 18.24	$ 23.94	$ 5.70	76%	$ 1.99
2007 CAFR	$ 17.16	$ 22.54	$ 5.38	76%	$ 2.10
Difference, 2012 - 2007	$ 3.22	$ 7.58	$ 4.36	8%	$ 0.19
Percent difference, 2012 vs. 2007	19%	34%	81%		9%

* Comprehensive Annual Financial Report a/k/a Audit.

Village of Winnetka
Pension Fund Information
Firefighters' Pension Fund
(in millions of dollars)

(most recent data as of 3/31/2011)

Background Information:

Number of Current Employees:		24
Current investment rate assumption:		6.25%
Current salary progression assumption:		5.50%
Asset valuation method:		market
Most recent annual Village cost:	$	0.95
Most recent annual employee cost:	$	0.20

	Assets	Liabilities	$'s Unfunded	% Funded	Covered Payroll
Data as of 3/31/2012 CAFR *	$ 18.82	$ 30.96	$ 12.14	61%	$ 1.79
2011 CAFR	$ 17.80	$ 28.88	$ 11.08	62%	$ 2.09
2010 CAFR	$ 15.13	$ 26.29	$ 11.16	58%	$ 2.00
2009 CAFR	$ 17.00	$ 25.91	$ 8.91	66%	$ 1.86
2008 CAFR	$ 16.86	$ 25.01	$ 8.15	67%	$ 1.71
2007 CAFR	$ 15.84	$ 24.06	$ 8.22	66%	$ 1.70
Difference, 2012 - 2007	$ 2.98	$ 6.90	$ 3.92	5%	$ 0.09
Percent difference, 2012 vs. 2007	19%	29%	48%		5%

* Comprehensive Annual Financial Report a/k/a Audit.

Points Earned for Pension Funding (10 point maximum)

Combined % Funded ***	< 60%	***60 - 69%***	70 - 79%	80 - 89%	90-100%	> 100%
Points Assigned	2	***4***	6	8	9	10

For Police and Fire Pension Funds:
* In 2007 the assumed rate of return was reduced from 7.0% to 6.5%.
In 2010 the assumed rate of return was reduced from 6.5% to 6.0%.
In 2011 the assumed rate of return was increased from 6.0% to 6.25%.

To fund all three pension plans at the 90% level would require $ 25.76 million.

	100%	90%	
Assets	$ 58.16	$ 58.16	
Liabilities	$ 93.24	$ 83.92	
Difference	$ (35.08)	$ (25.76)	$ (9.32)
% Funded	62%		

Village of Winnetka
Schedule of Special Service Area Financing
Interest Rate 4.00%

Attachment G

2012.09.25

	SSA #3 Trapp Lane	SSA # 4 Elm, Oak, Locust, Rosewood	SSA # 5 Elm, Oak Rosewood, Glendale
	est cost	final cost	final cost
SSA Principal Amount for Homeowners	$ 255,000.00	$ 20,795.00	$ 17,664.00
Limit in Ordinances Approving SSA	$ 315,947.50	$ 37,000.00	$ 40,312.50
Term of Repayments in Years	10	5	5
Debt Retirement Schedule			
2011 Tax Levy			
Beginning Principal	$ 255,000.00	$ 20,795.00	$ 17,664.00
Interest @ 4%	$ 10,200.00	$ 832.00	$ 707.00
Principal repaid	$ 25,500.00	$ 4,159.00	$ 3,533.00
Interest and Principal for YR	$ 35,700.00	$ 4,991.00	$ 4,240.00
Ending Principal	$ 229,500.00	$ 16,636.00	$ 14,131.00
2012 Tax Levy			
Beginning Principal	$ 229,500.00	$ 16,636.00	$ 14,131.00
Interest @ 4%	$ 9,180.00	$ 665.00	$ 565.00
Principal repaid	$ 25,500.00	$ 4,159.00	$ 3,533.00
Interest and Principal for YR	**$ 34,680.00**	**$ 4,824.00**	**$ 4,098.00**
Ending Principal	$ 204,000.00	$ 12,477.00	$ 10,598.00
2013 Tax Levy			
Beginning Principal	$ 204,000.00	$ 12,477.00	$ 10,598.00
Interest @ 4%	$ 8,160.00	$ 499.00	$ 424.00
Principal repaid	$ 25,500.00	$ 4,159.00	$ 3,533.00
Interest and Principal for YR	$ 33,660.00	$ 4,658.00	$ 3,957.00
Ending Principal	$ 178,500.00	$ 8,318.00	$ 7,065.00
2014 Tax Levy			
Beginning Principal	$ 178,500.00	$ 8,318.00	$ 7,065.00
Interest @ 4%	$ 7,140.00	$ 333.00	$ 283.00
Principal repaid	$ 25,500.00	$ 4,159.00	$ 3,533.00
Interest and Principal for YR	$ 32,640.00	$ 4,492.00	$ 3,816.00
Ending Principal	$ 153,000.00	$ 4,159.00	$ 3,532.00
2015 Tax Levy			
Beginning Principal	$ 153,000.00	$ 4,159.00	$ 3,532.00
Interest @ 4%	$ 6,120.00	$ 166.00	$ 141.00
Principal repaid	$ 25,500.00	$ 4,159.00	$ 3,532.00
Interest and Principal for YR	$ 31,620.00	$ 4,325.00	$ 3,673.00
Ending Principal	$ 127,500.00	$ -	$ -

AGENDA REPORT

Subject: **Annual Public Safety Pension Report**

Prepared by: Ed McKee, Finance Director / Village Treasurer

Date: October 30, 2012

The Illinois legislature implemented public safety pension reforms in the fall of 2008. This law requires an annual report from the Police and Fire Pension Boards to the Village Council on the health and performance of the pension plans prior to adoption of the annual property tax levy.

The purpose of the law can be categorized into three broad areas: 1) improve dissemination of pension information, 2) encourage good business practices, and 3) strengthen ethics / increase enforcement. This agenda report and supporting materials are designed to improve the dissemination of pension fund information as contemplated by the new law.

Both the Police and Fire Pension Boards have been made aware of this legislation and have directed the Village Treasurer to meet the annual reporting requirement on behalf of the Boards.

Attached are the Police and Fire Pension Board reports for 2012.

I will be available at the November 8, 2012 meeting to answer any questions.

VILLAGE OF WINNETKA, ILLINOIS
POLICE PENSION FUND

HOUSE BILL 5088 - MUNICIPAL COMPLIANCE REPORT

FOR THE FISCAL YEAR ENDED

MARCH 31, 2012

Lauterbach & Amen, LLP
CERTIFIED PUBLIC ACCOUNTANTS
27W457 WARRENVILLE ROAD • WARRENVILLE, ILLINOIS 60555-3902
PHONE (630) 393-1483 / FAX (630) 393-2516

October 30, 2012

Members of the Pension Board of Trustees
Winnetka Police Pension Fund
Winnetka, IL

Enclosed please find a copy of your Municipal Compliance Report for the Winnetka Police Pension Fund for the year ended March 31, 2012. 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 House Bill 5088 - 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 Matt Beran at 515.556.4052 or mberan@lauterbachamen.com.

Respectfully submitted,

Lauterbach & Amen LLP

LAUTERBACH & AMEN, LLP

VILLAGE OF WINNETKA, ILLINOIS
POLICE PENSION FUND

House Bill 5088 (Public Act 95-950) - Municipal Compliance Report
For the Fiscal Year Ending March 31, 2012

The Pension Board certifies to the Board of Trustees of the Village of Winnetka, Illinois on the condition of the Pension Fund at the end of its most recently completed fiscal year the following information:

1) The total assets of the fund and their current market value of those assets:

	Current Fiscal Year	Preceding Fiscal Year
Total Assets	$ 21,442,096	$ 20,377,515
Market Value	$ 21,442,096	$ 20,377,515

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	$ 248,500
Estimated Receipts - All Other Sources	
Investment Earnings	$ 1,340,100
Municipal Contributions	$ 1,009,152

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	$ 1,916,100
(b) Annual Requirement of the Fund as Determined by:	
Illinois Department of Insurance	$ N/A
Private Actuary- Timothy W. Sharpe, Actuary	
Recommended Municipal Contribution	$ 1,009,152
Statutory Municipal Contribution	$ 765,813

VILLAGE OF WINNETKA, ILLINOIS
POLICE PENSION FUND

House Bill 5088 (Public Act 95-950) - Municipal Compliance Report
For the Fiscal Year Ending March 31, 2012

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

	Current Fiscal Year	Preceding Fiscal Year
Net Income Received from Investment of Assets	$ 1,277,135	$ 1,659,429
Assumed Investment Return		
Illinois Department of Insurance	N/A	N/A
Private Actuary- Timothy W. Sharpe, Actuary	6.25%	6.25%
Actual Investment Return	6.11%	8.44%

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

Number of Active Members	26

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	26	$ 1,418,331
(ii) Disability Pension	0	$ 0
(iii) Survivors and Child Benefits	4	$ 117,759
Totals	30	$ 1,536,090

VILLAGE OF WINNETKA, ILLINOIS
POLICE PENSION FUND

House Bill 5088 (Public Act 95-950) - Municipal Compliance Report
For the Fiscal Year Ending March 31, 2012

7) The funded ratio of the fund:

	Current Fiscal Year	Preceding Fiscal Year
Illinois Department of Insurance	N/A	N/A
Private Actuary- Timothy W. Sharpe, Actuary	68.22%	67.66%

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

Unfunded Liability:

Illinois Department of Insurance	$ N/A
Private Actuary- Timothy W. Sharpe, Actuary	$ 9,929,473

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 _____ day of _____, 2012

President _____ Date _____

Secretary _____ Date _____

VILLAGE OF WINNETKA, ILLINOIS
POLICE PENSION FUND

House Bill 5088 (Public Act 95-950) - Municipal Compliance Report
For the Fiscal Year Ending March 31, 2012

INDEX OF ASSUMPTIONS

1) Total Assets - as Reported in the Audited Financial Statements for the Years Ended March 31, 2012 and 2011.

   Market Value - Same as Above.

2) Estimated Receipts - Employee Contributions as Reported in the Audited Financial Statements for the Year Ended March 31, 2012 plus 5.5% Increase (Actuarial Salary Increase Assumption) Rounded to the Nearest $100.

   Estimated Receipts - All Other Sources

   Investment Earnings - Cash and Equivalents and Investments as Reported in the Audited Financial Statements for the Year Ended March 31, 2012, times 6.25% (Actuarial Investment Return Assumption) Rounded to the Nearest $100.

   Municipal Contributions - Recommended Tax Levy Requirement as Reported by Timothy W. Sharpe, Actuary, Actuarial Valuation for the Year Ended March 31, 2012.

3) (a) Pay all Pensions and Other Obligations - Total Deductions as Reported in the Audited Financial Statements for the Year Ended March 31, 2012, plus a 25% Increase, Rounded to the Nearest $100.

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

   Illinois Department of Insurance - No March 31, 2012 Actuarial Valuation available at the time of this report.

   Private Actuary

   Recommended Amount of Tax Levy as Reported by Timothy W. Sharpe, Actuary in the March 31, 2012 Actuarial Valuation.

   Statutorily Required Amount of Tax Levy as Reported by Timothy W. Sharpe, Actuary in the March 31, 2012 Actuarial Valuation.

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 March 31, 2012 and 2011.

   Assumed Investment Return

   Illinois Department of Insurance - Current and Preceding Fiscal Year Interest Rate Assumption - No March 31, 2012 or 2011 Actuarial Valuations available at the time of this report.

   Private Actuary - Current and Preceding Fiscal Year Interest Rate Assumption as Reported in the Timothy W. Sharpe, Actuary, March 31, 2012 and 2011 Actuarial Valuations.

   Actual Investment Return - Net Income Received from Investments as Reported Above as a Percentage of the Average of the Beginning and End of Year Cash and Cash Equivalents and Investments as Reported in the Audited Financial Statements for the Fiscal Years Ended March 31, 2012, 2011 and 2010.

5) Number of Active Members - Illinois Department of Insurance Annual Statement for March 31, 2012 - Schedule P.

6) (i) Regular Retirement Pension - Illinois Department of Insurance Annual Statement for March 31, 2012 - 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.

INDEX OF ASSUMPTIONS - Continued

7) The funded ratio of the fund:

Illinois Department of Insurance - Current and Preceding Fiscal Year Net Present Assets - No March 31, 2012 or 2011 Actuarial Valuations 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 Timothy W. Sharpe, Actuary, March 31, 2012 and March 31, 2011 Actuarial Valuations.

8) Unfunded Liability:

Illinois Department of Insurance - Deferred Asset (Unfunded Accrued Liability) - No March 31, 2012 Actuarial Valuation available at the time of this report.

Private Actuary - Deferred Asset (Unfunded Accrued Liability) as Reported by Timothy W. Sharpe, Actuary in the March 31, 2012 Actuarial Valuation.

VILLAGE OF WINNETKA, ILLINOIS
FIREFIGHTERS' PENSION FUND

HOUSE BILL 5088 - MUNICIPAL COMPLIANCE REPORT

FOR THE FISCAL YEAR ENDED

MARCH 31, 2012

Lauterbach & Amen, LLP
CERTIFIED PUBLIC ACCOUNTANTS
27W457 WARRENVILLE ROAD • WARRENVILLE, ILLINOIS 60555-3902
PHONE (630) 393-1483 / FAX (630) 393-2516

October 30, 2012

Members of the Pension Board of Trustees
Winnetka Firefighters' Pension Fund
Winnetka, IL

Enclosed please find a copy of your Municipal Compliance Report for the Winnetka Firefighters' Pension Fund for the year ended March 31, 2012. 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 House Bill 5088 - 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 Matt Beran at 515.556.4052 or mberan@lauterbachamen.com.

Respectfully submitted,

Lauterbach & Amen LLP

LAUTERBACH & AMEN, LLP

VILLAGE OF WINNETKA, ILLINOIS
FIREFIGHTERS' PENSION FUND

House Bill 5088 (Public Act 95-950) - Municipal Compliance Report
For the Fiscal Year Ending March 31, 2012

The Pension Board certifies to the Board of Trustees of the Village of Winnetka, Illinois on the condition of the Pension Fund at the end of its most recently completed fiscal year the following information:

1) The total assets of the fund and their current market value of those assets:

	Current Fiscal Year	Preceding Fiscal Year
Total Assets	$ 19,505,799	$ 18,822,037
Market Value	$ 19,505,799	$ 18,822,037

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	$ 209,300
Estimated Receipts - All Other Sources	
Investment Earnings	$ 1,219,100
Municipal Contributions	$ 1,191,031

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	$ N/A
Private Actuary - Timothy W. Sharpe, Actuary	
Recommended Municipal Contribution	$ 1,191,031
Statutory Municipal Contribution	$ 866,194

VILLAGE OF WINNETKA, ILLINOIS
FIREFIGHTERS' PENSION FUND

House Bill 5088 (Public Act 95-950) - Municipal Compliance Report
For the Fiscal Year Ending March 31, 2012

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

	Current Fiscal Year	Preceding Fiscal Year
Net Income Received from Investment of Assets	$ 1,198,752	$ 1,408,930
Assumed Investment Return		
Illinois Department of Insurance	N/A	N/A
Private Actuary - Timothy W. Sharpe, Actuary	6.25%	6.25%
Actual Investment Return	6.26%	7.68%

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

Illinois Department of Insurance - Actuarial Report	$ N/A
Private Actuary - Timothy W. Sharpe, Actuary	$ N/A

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

Number of Active Members	24

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:

	Number of	Total Amount Disbursed
(i) Regular Retirement Pension	22	$ 1,381,644
(ii) Disability Pension	2	$ 94,607
(iii) Survivors and Child Benefits	6	$ 216,668
Totals	30	$ 1,692,919

VILLAGE OF WINNETKA, ILLINOIS
FIREFIGHTERS' PENSION FUND

House Bill 5088 (Public Act 95-950) - Municipal Compliance Report
For the Fiscal Year Ending March 31, 2012

8) The funded ratio of the fund:

	Current Fiscal Year	Preceding Fiscal Year
Illinois Department of Insurance	N/A	N/A
Private Actuary - Timothy W. Sharpe, Actuary	61.12%	60.79%

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

Unfunded Liability:

Illinois Department of Insurance	$ N/A
Private Actuary - Timothy W. Sharpe, Actuary	$ 12,352,211

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 _____ day of _____, 2012

President _____ Date _____

Secretary _____ Date _____

VILLAGE OF WINNETKA, ILLINOIS
FIREFIGHTERS' PENSION FUND

House Bill 5088 (Public Act 95-950) - Municipal Compliance Report
For the Fiscal Year Ending March 31, 2012

INDEX OF ASSUMPTIONS

1) Total Assets - as Reported in the Audited Financial Statements for the Years Ended March 31, 2012 and 2011.

   Market Value - Same as Above.

2) Estimated Receipts - Employee Contributions as Reported in the Audited Financial Statements for the Year Ended March 31, 2012 plus 5.5% Increase (Actuarial Salary Increase Assumption) Rounded to the Nearest $100.

   Estimated Receipts - All Other Sources

   Investment Earnings - Cash and Equivalents and Investments as Reported in the Audited Financial Statements for the Year Ended March 31, 2012, times 6.25% (Actuarial Investment Return Assumption) Rounded to the Nearest $100.

   Municipal Contributions - Recommended Tax Levy Requirement as Reported by Timothy W. Sharpe, Actuary, Actuarial Valuation for the Year Ended March 31, 2012.

3) Annual Requirement of the Fund as Determined by:

   Illinois Department of Insurance - No March 31, 2012 Actuarial Valuation available at the time of this report.

   Private Actuary

   Recommended Amount of Tax Levy as Reported by Timothy W. Sharpe, Actuary in the March 31, 2012 Actuarial Valuation.

   Statutorily Required Amount of Tax Levy as Reported by Timothy W. Sharpe, Actuary in the March 31, 2012 Actuarial Valuation.

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Assumed Investment Return

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Actual Investment Return - Net Income Received from Investments as Reported Above as a Percentage of the Average of the Beginning and End of Year Cash and Cash Equivalents and Investments as Reported in the Audited Financial Statements for the Fiscal Years Ended March 31, 2012, 2011 and 2010.

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 March 31, 2012 - Schedule P.

(i) Regular Retirement Pension - Illinois Department of Insurance Annual Statement for March 31, 2012 - Schedule P for Number of Participants and Expense page 1 for Total Amount Disbursed.

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