



**AGENDA PACKET**  
**VILLAGE OF LAKE ZURICH**  
**Village Board of Trustees Meeting**

**November 1, 2021**  
**07:00 pm**

# VILLAGE OF LAKE ZURICH

## VILLAGE BOARD OF TRUSTEES MEETING

**NOVEMBER 1, 2021**  
**07:00 PM**  
**AGENDA**

**1. CALL TO ORDER**

**2. ROLL CALL**

Mayor Thomas Poynton, Trustee Dan Bobrowski, Trustee Mary Beth Euker, Trustee Janice Gannon, Trustee Marc Spacone, Trustee Jonathan Sprawka, Trustee Greg Weider.

**3. PLEDGE OF ALLEGIANCE**

**4. PUBLIC COMMENT**

This is an opportunity for residents to comment briefly on matters included on the agenda and otherwise of interest to the Board of Trustees. Public Comment is limited to 30 minutes total and 5 minutes per speaker.

**5. PRESIDENT'S REPORT / COMMUNITY UPDATE**

**6. CONSENT AGENDA**

(These titles will be read by the Village Clerk and approved by a single Roll Call Vote. Any item may be pulled from the Consent Agenda for discussion by any member of the Board).

**A. Approval of Minutes of the Village Board Meeting, October 18, 2021**

Attachment: [6a.pdf](#)

**B. Approval of Semi-Monthly Warrant Register Dated November 1, 2021 Totaling \$1,092,694.11**

Attachment: [6b.pdf](#)

**C. Agreement with Eco Clean Maintenance, Inc. for Janitorial Services of Municipal Building in the Amount Not-to-Exceed \$83,232**

**Summary:** The existing janitorial services contract expires on December 31, 2021. Staff has budgeted \$87,210 in the FY22 budget for a janitorial contract, pending final Village Board budget approval at a December 2021 meeting. Six bids were received on September 30, 2021 for this janitorial contract, with ECO Clean Maintenance providing the lowest responsible bid. The two-year contract includes cleaning at the Village Hall, Police Department, Community Services, and Parks and Recreation facilities.

Attachment: [6c.pdf](#)

**D. Ordinance Amending Title 3 of Chapter 3 of the Village of Lake Zurich Municipal Code to Increase the Number of Class H Liquor Licenses for Forest Nails and Spa at 1237 South Rand Road and Revoking Class A and Class V Liquor Licenses from La Mula Mexican Grill at 927 South Rand Road (Assign Ord. #2021-11-439)**

**Summary:** Forest Nails and Spa at 1237 South Rand Road is requesting a Class H liquor license for the complimentary dispensing of beer, wine, and sparkling alcoholic beverages. Forest Nails and Spa completed the requisite documentation and has successfully passed the background check for issuance of a Class H liquor license.

Secondly, La Mula Mexican Grill formerly located at 927 South Rand Rd has permanently closed and revocation of its Class-A restaurant and Class-V gaming terminal license is now appropriate. During its operation, no gaming terminals were installed.

Attachment: [6d.pdf](#)

**7. OLD BUSINESS - None at this time.**

**8. NEW BUSINESS**

(This agenda item includes matters coming to the Board of Trustees for discussion and possible action).

**A. Fire Pension Municipal Compliance Report and Tax Levy Request (Trustee Euker)**

**Summary:** The Illinois Pension Code requires the Village levy a tax each year to meet the actuarial requirements of the Fire Pension Fund. The Lake Zurich Fire Pension Board is requesting a tax levy in the amount of \$2,774,272 for the Village Board to consider. Last

year, the Fire Pension Board requested a levy of \$2,852,427 and the actual levy was \$2,491,121. The Fire Pension Fund is now 68.01% funded, an increase of 4.95% on an actuarial value from last year's status of 63.06% funded.

**Recommended Action:** No Village Board action requested at this point. This tax levy request is for informational purposes only.

Attachment: [8a.pdf](#)

#### **B. Police Pension Municipal Compliance Report and Tax Levy Request (Trustee Gannon)**

**Summary:** The Illinois Pension Code requires the Village levy a tax each year to meet the actuarial requirements of the Police Pension Fund. The Lake Zurich Police Pension Board is requesting a tax levy in the amount of \$2,067,695 for the Village Board to consider. Last year, the Police Pension Board requested a levy of \$2,006,032 and the actual levy was the same amount. The Police Pension Fund is now 53.89% funded, an increase of 1.42% on an actuarial value from last year's funding status.

**Recommended Action:** No Village Board action requested at this point. This tax levy request is for informational purposes only.

Attachment: [8b.pdf](#)

#### **C. Ordinance Approving a Special Use Permit for Bloc Cannabis Dispensary at 676 South Rand Road (Assign Ord. #2021-11-440) (Trustee Sprawka)**

**Summary:** Botavi Wellness, LLC, doing business as Justice Cannabis Company, has filed a zoning application for the property at 676 South Rand Road seeking a Special Use Permit to operate a cannabis dispensing organization within the zoning parameters approved by the Village Board on December 21, 2020. Justice Cannabis Company is a multi-state operator of several recreational and medical dispensaries and cultivation centers with locations in eight states.

The subject property at 676 South Rand Road has been vacant since March 2020 when TGI Friday's closed. The property includes 1.6-acres in the B-3 Regional Shopping Business District. The property contains 50 parking spaces in the front of and to the rear of the building and 23 parking spaces across the frontage drive adjacent to the Home Depot and Costco parking lots. No requests for zoning relief are being requested by the applicant.

The Planning and Zoning Commission held a public hearing on October 20, 2021 to consider this new business and recommended approval of the Special Use Permit by a vote of 4-2.

**Recommended Action:** A motion to approve Ordinance #2021-11-440 approving a Special Use Permit for Block Cannabis Dispensary at 676 South Rand Road.

Attachment: [8c.pdf](#)

### **9. TRUSTEE REPORTS**

### **10. VILLAGE STAFF REPORTS**

### **11. ADJOURNMENT**

UNAPPROVED MINUTES  
VILLAGE OF LAKE ZURICH  
Board of Trustees  
70 East Main Street



AGENDA ITEM

6A

Monday, October 18, 2021, 7:00 p.m.

1. **CALL TO ORDER** by Mayor Thomas M. Poynton at 7:00pm.
2. **ROLL CALL:** Mayor Thomas Poynton, Trustee Dan Bobrowski, Trustee Mary Beth Euker, Trustee Janice Gannon, Trustee Marc Spacone, Trustee Jonathan Sprawka, Trustee Greg Weider. Also in attendance: Village Manager Ray Keller, Village Atty. Scott Uhler, Management Services Dir. Michael Duebner, Fire Chief Dave Pilgard, Public Works Dir. Mike Brown, Finance Dir. Amy Sparkowski.
3. **PLEDGE OF ALLEGIANCE**
4. **PUBLIC COMMENT**  
Dave Brask, Lake Zurich Professional Building, E. Main St., addressed the Board on the issue of dumpsters in the rear of his building as well as the unfenced dumpsters belonging to other neighbours. Mr. Brask requested the municipal code be enforced.  
Eric Dubiel, 25 N. Pleasant Road, addressed the Board, in his opinion, of receiving misinformation from the Village Manager and on the proposed elimination of the three day grace period on water billing.
5. **PRESIDENT'S REPORT / COMMUNITY UPDATE**
  - A. **Oaths of Office for Firefighter / Paramedics:**  
Daniel Frano, Anthony Kinsley and Nathan Welter.  
Mayor Poynton welcomed the new FF/PMs, Police and Fire Commissioners Mike Hilt and Marty Bush and members of the LZFD and their families. The Oaths of Office were administered by Mr. Hilt and Mr. Bush and the new FF/PM were pinned by family members. Chief Pilgard gave a brief description of the next year for the probationary members of the Department.
  - B. **Proclamations**  
Declaring October 23 – 31, 2021 as Red Ribbon Week  
Declaring October 24, 2021 as Rotary International World Polio Day
6. **CONSENT AGENDA**
  - A. Approval of Minutes of the Village Board Meeting, October 4, 2021
  - B. Approval of Semi-Monthly Warrant Register Dated October 18, 2021 Totaling \$211,895.30
  - C. Agreement with Stryker Sales Corporation for One LifePak 15 Monitor in the Amount Not to Exceed \$34,429.24 Paid Over Five Years  
**Summary:** The Fire Department is progressing on having 12-lead monitor capabilities, defibrillation and ETCO2 monitoring on all alternative



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advanced life support response vehicles (which are fire engines as opposed to ambulances). The budget for FY 2021 includes \$6,795 for year one of a five-year no-interest purchase option for a new LifePak15. The estimated cost is \$6,885.87 per year, subject to future service agreement payments between the Village and the Rural Fire Protection District.

- \*D. Ordinance Amending the Village of Lake Zurich Municipal Code Sections 11, 12, 13, and 19 of Chapter 5 Entitled "Water and Sewer Service" of Title 7 Entitled "Public Ways and Property" ORD. #2021-10-437**

**Summary:** The proposed Ordinance modernizes outdated Village Code language that no longer reflects operation and communication from the Village. Specifically, the proposed Ordinance eliminates the requirement of waiting "three business days" past the due date before applying a late-payment penalty in lieu of applying the late-payment penalty immediately after the due date that is shown on each monthly invoice. Other minor edits to Chapter 5 of Title 7 are detailed in the proposed ordinance. \*

- E. Agreement to Purchase a 2022 Ford F-550 Horton 623 Ambulance from Foster Coach Inc. in the Amount Not-to-Exceed \$310,000 from the Fiscal Year 2022 Budget**

**Summary:** The current state of the auto industry has created extremely long lead times to deliver vehicles and equipment with anticipated delivery times for an ambulance of 12 – 16 months. An ambulance purchase to replace a 15-year old model has been planned for several years in the Community Investment Plan and is now proposed in the 2022 budget. The expected life span on this type of ambulance is 10 – 12 years. Staff is tentatively placing \$310,000 in the 2022 Equipment Replacement Fund, pending final budget approval by the Board in December 2021.

The proposed purchase will be very similar to the last two ambulances purchased in 2016 and 2019, coordinated through the Suburban Purchasing Cooperative and Foster Coach. The ambulance body itself is \$263,552 with another \$46,448 requested for outfitting the ambulance with public safety equipment and contingency change orders.

- F. Agreement to Purchase a 2023 International Dump Trucks from Rush Truck Center in the Amount Not-to-Exceed \$220,000 from the Fiscal Year 2022 Budget**

**Summary:** The current state of the auto industry has created extremely long lead times to deliver vehicles and equipment with anticipated delivery times for a dump truck of 12 months. A dump truck purchase to replace a 17-year old model has been planned for several years in the Community investment Plan and is now proposed in the 2022 budget. Staff is tentatively placing \$220,000 in the 2022 Equipment Replacement Fund, pending final budget approval by the Board in December 2021. The body and equipment itself it \$216,790 with another \$3,210 requested for outfitting the dump truck and contingency change orders.

The proposed purchase will include the usual front mounted plow and salt spreader but also a wing plow to increase the plowing width, eliminating the need to have two trucks plow in tandem on wide roads.

V. M. Ray Keller explained the situation of pre-ordering vehicles in Agenda Item #6E and F due to supply issues.

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Trustee Gannon requested a postponement of the Agenda Item #6D. Management Services Dir. Michael Duebner explained the proposed changes to the ordinance. He explained that there were many ways to pay to avoid the late fees. Trustee Sprawka echoed his comment at a previous meeting of using autopay. Mayor Poynton asked Trustee Gannon if she wanted a separate vote on Agenda Item #6D and she responded in the affirmative.

**Recommended Action:** A motion was made by Trustee Sprawka, seconded by Trustee Spacone, to approve the Consent Agenda with the exclusion of Agenda item 6D.

AYES: 6 Trustees Bobrowski, Euker, Gannon, Spacone, Sprawka, Weider.

NAYS: 0

ABSENT: 0

MOTION CARRIED.

**\*Vote for Agenda Item #D\***

A motion was made by Trustee Sprawka, seconded by Trustee Euker, to approve Agenda Item #6D.

AYES: 5 Trustees Bobrowski, Euker, Spacone, Sprawka, Weider.

NAYS: 1 Trustee Gannon.

ABSENT: 0

MOTION CARRIED.

**7. OLD BUSINESS**

None at this time.

**8. NEW BUSINESS**

- A. Ordinance Authorizing the Issuance of \$1,188,000 Taxable General Obligation Refunding Bonds (Limited Tax), Series 2022, of the Village of Lake Zurich, Lake County, Illinois, for the purpose of refunding certain outstanding general obligation alternate bonds of said Village and paying the expenses incident thereto, providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds, and authorizing the sale of said bonds to the purchaser thereof ORD. #2021-10-438

**Summary:** From 2009 through 2016, the Village issued multiple general obligation TIF bonds, with payment of these bonds coming from various revenue sources as well as an annual issuance of taxable general obligation bonds. These bonds are part of the Village's overall debt limit and fall within the Village's tax cap limit. This is the 12<sup>th</sup> year for this short-term bond procedure. These Series 2022 bonds will pay interest and principal due during fiscal year 2022.

The total size is \$1,188,000, which includes fees of approximately \$11,500. As in the past, Cornerstone Bank has agreed to purchase the bonds. The taxable rate is 4.75%. The bonds are to be approved in 2021 to be included in the 2022 tax levy. The bond will be delivered to Cornerstone mid-2022, minimizing the interest cost.

Finance Dir. Amy Sparkowski stated that this was an annual action. Trustee Bobrowski asked about the choice of bank and V. M. Keller explained.

**Recommended Action:** A motion was made by Trustee Sprawka, seconded by Trustee Weider, to approve Ordinance #2021-10-438 authorizing the Issuance of \$1,188,000 Taxable General Obligation Refunding Bonds (Limited Tax), Series 2022, of the Village of Lake Zurich, Lake County, Illinois, for the purpose of

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refunding certain outstanding general obligation alternate bonds of said Village and paying the expenses incident thereto, providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds, and authorizing the sale of said bonds to the purchaser thereof.

AYES: 6 Trustees Bobrowski, Euker, Gannon, Spacone, Sprawka, Weider.

NAYS: 0

ABSENT: 0

MOTION CARRIED.

**B Agreement with Sewertech LLC for 2021 Sanitary Sewer Inspection Program in the Amount Not-to-Exceed \$100,000**

**Summary:** The Fiscal Year 2021 budget includes \$100,000 in the Water and Sewer Fund for video inspection services of Lake Zurich's sanitary sewer system. Early detection of infrastructure damage is crucial to maintaining an operational and cost-effective municipal sewer system. Since 2017, the Village has been inspecting critical sanitary sewer infrastructure, and by means of cured-in-place pipe (CIPP) lining, repairing trunk sewers throughout the community.

In March 2020, Staff solicited bids as part of the Municipal Partnering Initiative with other nearby suburbs, with the lowest responsible bid received from Sewertech, LLC of Schaumburg.

Public Works Dir. Mike Brown stated that this project is in its second year, and part of the CIP. The Village is being proactive of the Village's assets.

**Recommended Action:** A motion was made by Trustee Spacone, seconded by Trustee Sprawka, to approve an agreement with Sewertech LLC for 2021 Sanitary Sewer Inspection Program in the Amount Not-to-Exceed \$100,000.

AYES: 6 Trustees Bobrowski, Euker, Gannon, Spacone, Sprawka, Weider.

NAYS: 0

ABSENT: 0

MOTION CARRIED.

**9. TRUSTEE REPORTS**

Trustee Sprawka stated that the frivolous lawsuits being brought by a resident, who spoke at Public Comment, need to stop.

**10. VILLAGE STAFF REPORTS**

**Monthly Data Metric Reports**

Public Works Dir. Mike Brown updated the Board on the water quality project being performed by EEI of Spring Grove. There will be a presentation at the November 15<sup>th</sup> Village Board meeting with a workshop in January 2022. Mayor Poynton told Board members that a visit to CLCJAWA could be arranged if they wished.

**11. ADJOURNMENT**

Motion was made by Trustee Weider, seconded by Trustee Sprawka, to adjourn the meeting.

AYES: 6 Trustees Bobrowski, Euker, Gannon, Spacone, Sprawka, Weider.

NAYS: 0

ABSENT: 0

MOTION CARRIED.

Village of Lake Zurich Board of Trustees Regular Meeting, Monday October 18<sup>th</sup>, 2021 5

The meeting adjourned at 7.46pm

Respectfully Submitted by: ·

Kathleen Johnson, Village Clerk

Approved by:

\_\_\_\_\_  
Thomas M. Poynton, Village Mayor

\_\_\_\_\_  
Date.

**VILLAGE OF LAKE ZURICH**  
WARRANT REPORT - 11/01/2021  
**\$1,092,694.11**

<i>GL Number</i>	<i>GL Desc</i>	<i>Vendor</i>	<i>Invoice Description</i>	<i>Amount</i>
<b>Fund 101 GENERAL</b>				
Dept 00000				
101-00000-22501	ER - UNDISTRIBUTED LIFE INS	I P B C	INSURANCE COVERAGE - OCTOBER 2021	777.92
		Total For Dept 00000		777.92
Dept 11006 LEGISLATIVE MAYOR & BOARD				
101-11006-51652	TRAINING AND MEETINGS	TST* KOFFEE KUP RESTAU LAKE ZURI	COFFEE W/MAYOR	33.90
101-11006-52111	OTHER PROFESSIONAL SVCS	BUSINESS STORAGE, INC	DOCUMENT SHREDDING PICKUP	238.65
101-11006-53211	OTHER SUPPLIES	AMAZON.COM SALES, INC	PURCHASE CREDITS - SEP	(3,799.81)
		Total For Dept 11006 LEGISLATIVE MAYOR & BOARD		(3,527.26)
Dept 12001 VILLAGE ADMIN ADMINISTRATION				
101-12001-51652	TRAINING AND MEETINGS	LAKE COUNTY, ILLINOIS CVB	ANNUAL LUNCHEON - VM, MAYOR	70.00
101-12001-52201	VILLAGE ATTORNEY	KLEIN THORPE & JENKINS	LEGAL SERVICES THROUGH 8/31/2021	5,175.00
101-12001-52202	LITIGATION	KLEIN THORPE & JENKINS	LEGAL SERVICES THROUGH 8/31/2021	22.00
		Total For Dept 12001 VILLAGE ADMIN ADMINISTRATION		5,267.00
Dept 12120 VILLAGE ADMIN HUMAN RESOURCES				
101-12120-51654	MEMBERSHIPS & SUBSCRIP	CITY TECH USA INC.	PUBLICSALARY MEMBERSHIP	390.00
101-12120-51654	MEMBERSHIPS & SUBSCRIP	SOCIETY FOR HUMAN RESOURCE MGMT	MEMBERSHIP - FLANNERY	219.00
101-12120-52111	OTHER PROFESSIONAL SVCS	CAREERBUILDER EMPL. SCREENING, LLC	EMPLOYMENT SCREENING SERVICES	153.75
101-12120-54305	EMPLOYEE EXAMS	ADVOCATE OCCUPATIONAL HEALTH	EMPLOYEE SCREENINGS	474.00
		Total For Dept 12120 VILLAGE ADMIN HUMAN RESOURCES		1,236.75
Dept 12180 VILLAGE ADMIN ECONOMIC DEVELOPMENT				
101-12180-51654	MEMBERSHIPS & SUBSCRIP	PAYPAL *MELANIPHYAS 402-935-7	MELANIPHY METRO SALES REPORT	50.00
		Total For Dept 12180 VILLAGE ADMIN ECONOMIC DEVELOPMENT		50.00
Dept 13001 FINANCE ADMINISTRATION				
101-13001-52111	OTHER PROFESSIONAL SVCS	ILLINOIS GFOA	SENIOR ACCOUNT JOB LISTING	250.00
101-13001-52111	OTHER PROFESSIONAL SVCS	LAKE COUNTY CLERK	TAX INCREMENT REVENUE REPORT 2020	35.00
		Total For Dept 13001 FINANCE ADMINISTRATION		285.00



**VILLAGE OF LAKE ZURICH**  
WARRANT REPORT - 11/01/2021  
**\$1,092,694.11**

<i>GL Number</i>	<i>GL Desc</i>	<i>Vendor</i>	<i>Invoice Description</i>	<i>Amount</i>
Dept 17001 TECHNOLOGY ADMINISTRATION				
101-17001-52111	OTHER PROFESSIONAL SVCS	LEADINGIT SOLUTIONS, INC	SUPPORT AGMT 2021 - NOV	2,095.60
101-17001-52118	SOFTWARE MAINTENANCE	DRI*VMWARE my.vmware.	VM WARE FUSION MAINT	53.13
101-17001-52704	MAINT-EQUIPMENT	FORTINET INC 408-235-7	FIREWALL MAINT	1,391.00
101-17001-52704	MAINT-EQUIPMENT	TOSHIBA BUSINESS SOLUTIONS, USA	REC COPIES - JUL TO SEP 2021	1,386.99
101-17001-53203	TELEPHONE & DATA SVCS	WINDSTREAM	ANALOG LINES - OCT 2021	160.43
101-17001-53203	TELEPHONE & DATA SVCS	CALL ONE, INC	ANALOG LINES - OCT 2021	1,413.51
101-17001-53203	TELEPHONE & DATA SVCS	COMCAST CABLE COMMUNICATIONS MGMT	COMBINED INTERNET - OCT/NOV	4,426.29
101-17001-53203	TELEPHONE & DATA SVCS	COMCAST CABLE COMMUNICATIONS MGMT	INTERNET - 133 N OLD RAND	167.94
101-17001-53407	EQUIP MAINT PART&SUPPLIE	AMAZON.COM SALES, INC	PURCHASE CREDITS - SEP	(106.00)
101-17001-56601	CAPITAL LEASE	TOSHIBA FINANCIAL SERVICES	PD COPIER LEASE	164.73
101-17001-56601	CAPITAL LEASE	TOSHIBA FINANCIAL SERVICES	CS COPIER LEASE	119.50
Total For Dept 17001 TECHNOLOGY ADMINISTRATION				11,273.12
Dept 24001 POLICE ADMINISTRATION				
101-24001-51654	MEMBERSHIPS & SUBSCRIP	IL FIRE & POLICE COMMISSION	F&P OMMISION ASSOCIATION DUES	375.00
101-24001-53203	TELEPHONE & DATA SVCS	COMCAST CABLE COMMUNICATIONS MGMT	CABLE - PD	31.47
101-24001-53208	OFFICE SUPPLIES	AMAZON.COM SALES, INC	PURCHASE CREDITS - SEP	(81.48)
101-24001-53211	OTHER SUPPLIES	CARROT TOP INDUSTRIES 919-73262	POW FLAG	75.90
101-24001-53401	CUSTODIAL SUPPLIES	VALDES, LLC	TOWELS, TP, HAND SOAP	585.13
Total For Dept 24001 POLICE ADMINISTRATION				986.02
Dept 24210 POLICE OPERATIONS				
101-24210-51652	TRAINING AND MEETINGS	NORTHEAST MULTI-REGIONAL TRNG.	TRAINING COURSE - LONSKI	400.00
101-24210-52111	OTHER PROFESSIONAL SVCS	MOTOROLA SOLUTIONS, INC	RADIO FEE - OCT	1,530.00
101-24210-53207	PRINTING-STATIONERY/FORM	JUMBOPOSTCARD.COM, INC	BUSINESS CARDS	125.00
101-24210-53209	UNIFORMS	GALL'S, LLC	SCARRY - VEST	645.00
101-24210-53209	UNIFORMS	GALL'S, LLC	LZPD - SHIRTS & STARS	195.88
101-24210-53209	UNIFORMS	JG UNIFORMS INC.	DRESS BLOUSE - SCARRY	163.45
Total For Dept 24210 POLICE OPERATIONS				3,059.33
Dept 24230 POLICE CRIME PREVENTION				
101-24230-52111	OTHER PROFESSIONAL SVCS	TRANS UNION LLC	CREDIT CHECKS	75.00

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101-24230-53211	OTHER SUPPLIES	SIRCHIE	EVIDENCE SUPPLIES	303.04
		Total For Dept 24230 POLICE CRIME PREVENTION		378.04
Dept 25001 FIRE ADMINISTRATION				
101-25001-51655	EMPLOYEE RECOGNITION	JEWEL #3485 LAKE ZURI	RETIREMENT CAKE - JOHNSTON	44.99
101-25001-52111	OTHER PROFESSIONAL SVCS	KNOX ASSOCIATES, INC	CLOUD LICENSE, WIFI	5,127.00
101-25001-52111	OTHER PROFESSIONAL SVCS	LEADINGIT SOLUTIONS, INC	SUPPORT AGMT 2021 - NOV	1,128.40
101-25001-52118	SOFTWARE MAINTENANCE	ACTIVE911 INC PHILOMATH	ACTIVE 911 RENEWAL FEES	559.00
101-25001-52118	SOFTWARE MAINTENANCE	PPL*BEACHBODY FITNESS 800-998-1	ANNUAL FITNESS PRG FEES	99.00
101-25001-53203	TELEPHONE & DATA SVCS	CALL ONE, INC	ANALOG LINES - OCT 2021	174.70
101-25001-53203	TELEPHONE & DATA SVCS	COMCAST CABLE COMMUNICATIONS MGMT	COMBINED INTERNET - OCT/NOV	3,650.06
101-25001-53206	POSTAGE & SHIPPING	UNITED PARCEL SERVICE	SHIPPING FEES	23.05
101-25001-53209	UNIFORMS	ON TIME EMBROIDERY, INC	CHIEF INSIGNIA, NAMEPLATE, CAP - PILGARD	109.00
101-25001-53209	UNIFORMS	ON TIME EMBROIDERY, INC	CAP, CAP BADES - PROMOTION - CHRISTOPHE	99.00
101-25001-53209	UNIFORMS	ON TIME EMBROIDERY, INC	SHIRT, POLO, PANTS - SPATA	190.00
101-25001-53209	UNIFORMS	ON TIME EMBROIDERY, INC	PANTS, HAT, SHIRT, JOB SHIRT - KRAUS	120.00
101-25001-53209	UNIFORMS	ON TIME EMBROIDERY, INC	NEW HIRE CLOTHES - FRANO	470.00
101-25001-53209	UNIFORMS	ON TIME EMBROIDERY, INC	T-SHIRTS, KAMMIN	66.00
101-25001-53209	UNIFORMS	ON TIME EMBROIDERY, INC	CAP - LUCUS	22.00
101-25001-53209	UNIFORMS	ON TIME EMBROIDERY, INC	NEW HIRE UNIFORM WELTER	431.50
101-25001-53209	UNIFORMS	ON TIME EMBROIDERY, INC	NEW HIRE UNIFORM KINSLEY	481.00
101-25001-53209	UNIFORMS	ON TIME EMBROIDERY, INC	GREY POLOS, SHIRTS - SANTOYO	130.00
101-25001-53209	UNIFORMS	ON TIME EMBROIDERY, INC	JOB SHIRT - BOECKMANN	78.00
101-25001-53209	UNIFORMS	ON TIME EMBROIDERY, INC	JOB SHIRT, PANTS - BOOTH	216.00
101-25001-53209	UNIFORMS	ON TIME EMBROIDERY, INC	TROUSERS - HOHS	69.00
101-25001-53209	UNIFORMS	ON TIME EMBROIDERY, INC	SHIRTS - PILGARD	124.50
101-25001-53209	UNIFORMS	ON TIME EMBROIDERY, INC	1/4 ZIP JOBS - WASCOW	78.00
101-25001-53209	UNIFORMS	ON TIME EMBROIDERY, INC	1/4 ZIP JOB SHIRT - KAMMIN	82.00
101-25001-53211	OTHER SUPPLIES	RUNCO OFFICE SUPPLY & EQUIPMENT CO.	TOWELS, DETERGENT, PB - STA #4	93.12
101-25001-53211	OTHER SUPPLIES	RUNCO OFFICE SUPPLY & EQUIPMENT CO.	PAPER TOWELS	51.98
101-25001-53211	OTHER SUPPLIES	RUNCO OFFICE SUPPLY & EQUIPMENT CO.	SNACKS, GLASS CLEANER, PPR TOWEL	52.33
101-25001-53211	OTHER SUPPLIES	A-1 CLEANERS	TABLE COVER CLEANING	51.90
101-25001-53211	OTHER SUPPLIES	AMAZON.COM SALES, INC	PAPER TOWELS - C FOLD	58.08

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<i>GL Number</i>	<i>GL Desc</i>	<i>Vendor</i>	<i>Invoice Description</i>	<i>Amount</i>
101-25001-53211	OTHER SUPPLIES	AMAZON.COM SALES, INC	FOIL, LYSOL, TISSUES	54.05
101-25001-53211	OTHER SUPPLIES	AMAZON.COM SALES, INC	JET DRY	11.71
101-25001-53211	OTHER SUPPLIES	AMAZON.COM SALES, INC	LAUNDRY DETERGENT	9.99
101-25001-53211	OTHER SUPPLIES	AMAZON.COM SALES, INC	PAPER TOWELS	130.40
101-25001-53211	OTHER SUPPLIES	AMAZON.COM SALES, INC	FACIAL TISSUES, BOUNTY	125.25
101-25001-53405	BLDG & GROUND MAINT SUPP	UNITED STATES SENATE 202-224-9	FLAGS	327.60
101-25001-54305	EMPLOYEE EXAMS	HEALTH ENDEAVORS, SC	MEDICAL EVALUATIONS KINSLEY & WELTER	1,490.00
101-25001-56601	CAPITAL LEASE	TOSHIBA FINANCIAL SERVICES	FIRE COPIER LEASE	164.74
101-25001-56601	CAPITAL LEASE	TOSHIBA FINANCIAL SERVICES	FIRE COPIER LEASE	119.50
Total For Dept 25001 FIRE ADMINISTRATION				16,312.85
Dept 25320 FIRE FIRE SUPPRESSION				
101-25320-51652	TRAINING AND MEETINGS	JONES & BARTLETT LEARN 800832003	CLASS BOOK - BOOTH, C	139.19
101-25320-51652	TRAINING AND MEETINGS	JONES & BARTLETT LEARN 800832003	CLASS BOOK - TANNER, A	105.84
101-25320-53210	SMALL TOOLS & EQUIP	GRAINGER	GAS CAN 1 GALLON	76.30
101-25320-52111	OTHER PROFESSIONAL SVCS	MOTOROLA SOLUTIONS, INC	RADIO FEE - OCT	1,512.00
101-25320-52707	MAINT-OTHER	MUNICIPAL EMERGENCY SERVICES, INC	SCBA FLOW TESTS	414.26
101-25320-53210	SMALL TOOLS & EQUIP	AIR ONE EQUIPMENT INC	2.5 GALLON PUMP CAN	341.00
Total For Dept 25320 FIRE FIRE SUPPRESSION				2,588.59
Dept 25330 FIRE EMS				
101-25330-52111	OTHER PROFESSIONAL SVCS	ANDRES MEDICAL BILLING	AMBULANCE FEES - SEPTEMBER 2021	3,439.80
101-25330-53211	OTHER SUPPLIES	AMAZON.COM SALES, INC	USB CHARGER - EMS	107.96
101-25330-53211	OTHER SUPPLIES	HENRY SCHEIN EMS	CAT TOURNIQUETS, HYFINS, PULSE OXY PROB	341.42
Total For Dept 25330 FIRE EMS				3,889.18
Dept 25340 FIRE SPECIAL RESCUE				
101-25340-51652	TRAINING AND MEETINGS	JOHNSON, JEREMIAH	STRUC COLLAPS SEM - PER DIEM	275.00
101-25340-51652	TRAINING AND MEETINGS	REID, DAVID	STRUC COLLAPSE SEM - PER DIEM	275.00
101-25340-51652	TRAINING AND MEETINGS	STODOLA, BRIAN	STRUCT COLLAPSE SEM - PER DIEM	275.00
101-25340-51652	TRAINING AND MEETINGS	QUALITY INN & SUITES I ORLAND PA	LODGING - STODOLA	110.52
101-25340-53211	OTHER SUPPLIES	GRAINGER	TECHNICAL RESCUE GEAR	166.18
101-25340-55254	MACHINERY & EQUIPMENT	DJ'S SCUBA LOCKER, INC	BCD & THERMALS PROTECTION	376.11

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101-25340-55254	MACHINERY & EQUIPMENT	DJ'S SCUBA LOCKER, INC	SCUBA DIVE GEAR	753.51
101-25340-55254	MACHINERY & EQUIPMENT	MOTOROLA SOLUTIONS, INC	MICS FOR PORTABLE RADIOS	803.00
		Total For Dept 25340 FIRE SPECIAL RESCUE		3,034.32
Dept 28001 COMMUNITY DEVELOPMENT ADMINISTRATION				
101-28001-52111	OTHER PROFESSIONAL SVCS	LAKE COUNTY TREASURER	AUGUST 2021 BUILDING SERVICES	14,912.43
101-28001-52113	ENGR/ARCHITECTURAL	CHRISTOPHER B. BURKE ENG., LTD	JULY SERVICES INV 168428 LIFETIME PROJECT	8,346.16
101-28001-52113	ENGR/ARCHITECTURAL	CHRISTOPHER B. BURKE ENG., LTD	SEPTEMBER SERVICES INV 169770 LIFETIME P	6,319.93
101-28001-52113	ENGR/ARCHITECTURAL	CHRISTOPHER B. BURKE ENG., LTD	AUGUST SERVICES INV 168995 LIFETIME PROJ	9,233.33
		Total For Dept 28001 COMMUNITY DEVELOPMENT ADMINISTRATION		38,811.85
Dept 36001 PUBLIC WORKS ADMINISTRATION				
101-36001-51652	TRAINING AND MEETINGS	APWA	APWA MTG - BROWN	27.28
101-36001-51652	TRAINING AND MEETINGS	EB 2021 VIRTUAL DEICI 801-413-7	DE-ICING WORKSHOP	45.00
101-36001-51654	MEMBERSHIPS & SUBSCRIP	ZIMMERMAN, RYAN	WEATHER SERVICE	555.00
101-36001-52111	OTHER PROFESSIONAL SVCS	CINTAS CORPORATION #2	UNIFORMS/MATS 10-21	28.60
101-36001-52111	OTHER PROFESSIONAL SVCS	CINTAS CORPORATION #2	UNIFORMS/MATS 10/14	28.60
101-36001-52113	ENGR/ARCHITECTURAL	MANHARD CONSULTING LTD	ENGINEERING SERVICES	2,514.50
101-36001-52113	ENGR/ARCHITECTURAL	MANHARD CONSULTING LTD	NPDES INSPECTIONS	1,614.75
101-36001-52701	MAINT-BLDGS & GROUNDS	AMERICAN BACKFLOW & FIRE PREVENTION	BACKFLOW INSPECTION 2021	900.00
101-36001-52701	MAINT-BLDGS & GROUNDS	CINTAS CORPORATION #2	UNIFORMS/MATS 10-21	53.33
101-36001-52701	MAINT-BLDGS & GROUNDS	CINTAS CORPORATION #2	CREDIT - MAT	(76.00)
101-36001-52701	MAINT-BLDGS & GROUNDS	CINTAS CORPORATION #2	UNIFORMS/MATS 10/14	53.33
101-36001-52701	MAINT-BLDGS & GROUNDS	MARTIN ENTERPRISES HEATING/AIR COND	PD HVAC	210.00
101-36001-52701	MAINT-BLDGS & GROUNDS	MC GINTY BROS., INC.	HAZARD TREE STUMP GRINDING	475.00
101-36001-52701	MAINT-BLDGS & GROUNDS	PRECISION LOCK & SAFE, INC	LOCK MAINT	220.00
101-36001-52701	MAINT-BLDGS & GROUNDS	SAFETY-KLEEN CORPORATION	505 TRIPLE TRAP CLEANING	1,099.61
101-36001-52701	MAINT-BLDGS & GROUNDS	SHERMAN MECHANICAL INC	PD RANGE HVAC	443.92
101-36001-53208	OFFICE SUPPLIES	RUNCO OFFICE SUPPLY & EQUIPMENT CO.	SCISSORS, PAPER, BLTN BD, PENS, CALENDAR	200.00
101-36001-53209	UNIFORMS	CUTLER WORKWEAR	PPE BOOTS HERNANDEZ	200.00
101-36001-53209	UNIFORMS	ELEGANT EMBROIDERY INC	UNIFORMS - LONG SLEEVE SHIRTS	2,227.00
101-36001-53209	UNIFORMS	PRO-SAFETY, INC	HIP BOOT	172.00
101-36001-53210	SMALL TOOLS & EQUIP	AMAZON.COM SALES, INC	DIAMETER TAPES	27.96

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101-36001-53211	OTHER SUPPLIES	TRAFFIC SAFETY STORE I 800-42990	BARRICADES	1,529.10
101-36001-53211	OTHER SUPPLIES	MC CANN INDUSTRIES INC.	LATHE	49.38
101-36001-53403	LANDSCAPING SUPPLIES	CONSERV FS, INC	SEED	174.31
101-36001-53404	RIGHT OF WAY SUPPLIES	BURRIS EQUIPMENT COMPANY	DIAMOND BLADE	1,274.35
101-36001-53404	RIGHT OF WAY SUPPLIES	HOME DEPOT CREDIT SERVICES	LOCATE BATTERIES	30.96
101-36001-53404	RIGHT OF WAY SUPPLIES	VOLLMAR CLAY PRODUCTS CO	MANHOLE REPAIR	45.00
101-36001-53405	BLDG & GROUNDS SUPPLIES	AMAZON.COM SALES, INC	ROOF REPAIR	117.92
101-36001-53405	BLDG & GROUNDS SUPPLIES	AMAZON.COM SALES, INC	ROOF REPAIR	21.31
101-36001-53405	BLDG & GROUNDS SUPPLIES	AMAZON.COM SALES, INC	ROOF REPAIR	27.28
101-36001-53405	BLDG & GROUNDS SUPPLIES	ENSAFECO.COM WWW.ENSAFE	BOLLARD COVERS VH	236.93
101-36001-53405	BLDG & GROUNDS SUPPLIES	HOME DEPOT CREDIT SERVICES	DUPLEX OUTLET	15.98
101-36001-53405	BLDG & GROUNDS SUPPLIES	HOME DEPOT CREDIT SERVICES	PD HVAC FUSES	29.00
101-36001-53405	BLDG & GROUNDS SUPPLIES	HOME DEPOT CREDIT SERVICES	PD HVAC FUSES	29.00
101-36001-53405	BLDG & GROUNDS SUPPLIES	PRECISION LOCK & SAFE, INC	EMPL KEYS	45.00
Total For Dept 36001 PUBLIC WORKS ADMINISTRATION				14,645.40
Dept 36420 PUBLIC WORKS PARK MAINTENANCE				
101-36420-52701	MAINT-BLDGS & GROUNDS	AMERICAN BACKFLOW & FIRE PREVENTION	BACKFLOW INSPECTION 2021	375.00
101-36420-52701	MAINT-BLDGS & GROUNDS	ANDERSON PEST SOLUTIONS	PAULUS PK PEST CONTROL - NOV	73.05
101-36420-52701	MAINT-BLDGS & GROUNDS	ANDERSON PEST SOLUTIONS	BUFFALO CREEK PEST CONTROL - NOV	70.20
101-36420-52701	MAINT-BLDGS & GROUNDS	GOLDEN FENCE, INC	PAULUS FENCE REPAIR	800.00
101-36420-52701	MAINT-BLDGS & GROUNDS	MCNELLY SERVICE, INC	BARN DOORS	5,701.20
101-36420-52701	MAINT-BLDGS & GROUNDS	PRECISION LOCK & SAFE, INC	LOCK MAINT	272.00
101-36420-52701	MAINT-BLDGS & GROUNDS	WIZARD OF WOOD FLOORING LTD	BC DANCE FLOOR DOWN PAYMENT	2,335.00
101-36420-52701	MAINT-BLDGS & GROUNDS	US WATERPROOFING CO 847-303-5	BARN WATERPROOFING	523.00
101-36420-52701	MAINT-BLDGS & GROUNDS	NICOR GAS COMPANY	BREEZEWALD GAS LINE	5,484.62
101-36420-53201	ELECTRICITY	COMMONWEALTH EDISON	WICKLOW	20.26
101-36420-53201	ELECTRICITY	COMMONWEALTH EDISON	200 S RAND RD	92.97
101-36420-53405	BLDG & GROUND MAINT SUPP	AMAZON.COM SALES, INC	PAD LOCKS	11.69
101-36420-53405	BLDG & GROUND MAINT SUPP	AMAZON.COM SALES, INC	MASTER LOCK	10.49
101-36420-53405	BLDG & GROUND MAINT SUPP	HOME DEPOT CREDIT SERVICES	EXTENSION CORDS FOR MOM	22.08
101-36420-53405	BLDG & GROUND MAINT SUPP	HOME DEPOT CREDIT SERVICES	FENCE LUMBER	51.92
101-36420-53405	BLDG & GROUND MAINT SUPP	HOME DEPOT CREDIT SERVICES	FACIA	119.16



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101-36420-53405	BLDG & GROUND MAINT SUPP	HOME DEPOT CREDIT SERVICES	GUTER REPAIR	54.22
101-36420-53405	BLDG & GROUND MAINT SUPP	HOME DEPOT CREDIT SERVICES	SCRAPER/PAINT	37.95
101-36420-54306	EQUIPMENT RENTAL	RENTAL MAX LLC	AUGER BIT	33.60
Total For Dept 36420 PUBLIC WORKS PARK MAINTENANCE				16,088.41
Dept 36471 PUBLIC WORKS FLEET SERVICES				
101-36471-52111	OTHER PROFESSIONAL SVCS	CINTAS CORPORATION #2	UNIFORMS/MATS 10-21	55.45
101-36471-52111	OTHER PROFESSIONAL SVCS	CINTAS CORPORATION #2	UNIFORMS/MATS 10/14	87.85
101-36471-52111	OTHER PROFESSIONAL SVCS	MIKE'S TOWING, INC	SAFETY INSPECTIONS	781.00
101-36471-52111	OTHER PROFESSIONAL SVCS	MIKE'S TOWING, INC	SAFETY INSPECTIONS	410.00
101-36471-52111	OTHER PROFESSIONAL SVCS	IL STATE TOLLWAY HWY AUTHORITY	I-PASS REPLENISH	20.00
101-36471-52703	MAINT-VEHICLES	CUMMINS SALES AND SERVICE	TURBO CALIBRATION	1,192.08
101-36471-53210	SMALL TOOLS & EQUIP	SNAP-ON INDUSTRIAL	CALIPER SPREADER	85.83
101-36471-53210	SMALL TOOLS & EQUIP	PAYPAL *UNIQUETRUCK 402935773	CREDIT - CODE READER	(559.99)
101-36471-53211	OTHER SUPPLIES	AMAZON.COM SALES, INC	METAL PREP	136.14
101-36471-53211	OTHER SUPPLIES	AMAZON.COM SALES, INC	REMOTE OPENER	23.95
101-36471-53211	OTHER SUPPLIES	AIRGAS USA, LLC	TORCH GAS	141.32
101-36471-53211	OTHER SUPPLIES	LAWSON PRODUCTS INC.	HARDWARE	306.69
101-36471-53211	OTHER SUPPLIES	LAWSON PRODUCTS INC.	CABLE TIES	99.49
101-36471-53406	AUTO PARTS & SUPPLIES	BONNELL INDUSTRIES INC	BULLET PIN	175.92
101-36471-53406	AUTO PARTS & SUPPLIES	CHICAGO PARTS & SOUND LLC	BRAKE PADS	274.68
101-36471-53406	AUTO PARTS & SUPPLIES	FOSTER COACH SALES INC.	COVER	71.56
101-36471-53406	AUTO PARTS & SUPPLIES	MOTOR PARTS & EQUIPMENT CORP	WARRANTY CREDIT	(123.39)
101-36471-53406	AUTO PARTS & SUPPLIES	MOTOR PARTS & EQUIPMENT CORP	CORE CREDIT	(18.00)
101-36471-53406	AUTO PARTS & SUPPLIES	MOTOR PARTS & EQUIPMENT CORP	CORE CREDIT	(18.00)
101-36471-53406	AUTO PARTS & SUPPLIES	MOTOR PARTS & EQUIPMENT CORP	BRAKE ROTORS	372.77
101-36471-53406	AUTO PARTS & SUPPLIES	MOTOR PARTS & EQUIPMENT CORP	BATTERIES	423.90
101-36471-53406	AUTO PARTS & SUPPLIES	MOTOR PARTS & EQUIPMENT CORP	CREDIT - FUEL INJECTOR	(95.87)
101-36471-53406	AUTO PARTS & SUPPLIES	MOTOR PARTS & EQUIPMENT CORP	CORE CREDIT	(18.00)
101-36471-53406	AUTO PARTS & SUPPLIES	MOTOR PARTS & EQUIPMENT CORP	CORE CREDIT	(54.00)
101-36471-53406	AUTO PARTS & SUPPLIES	MOTOR PARTS & EQUIPMENT CORP	BATTERY	162.89
101-36471-53406	AUTO PARTS & SUPPLIES	MOTOR PARTS & EQUIPMENT CORP	FILTER	122.20
101-36471-53406	AUTO PARTS & SUPPLIES	MOTOR PARTS & EQUIPMENT CORP	FILTER	44.71

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101-36471-53406	AUTO PARTS & SUPPLIES	MOTOR PARTS & EQUIPMENT CORP	FILTER	18.91
101-36471-53406	AUTO PARTS & SUPPLIES	MOTOR PARTS & EQUIPMENT CORP	FILTER	102.97
101-36471-53406	AUTO PARTS & SUPPLIES	MOTOR PARTS & EQUIPMENT CORP	REFLECTORS	12.40
101-36471-53406	AUTO PARTS & SUPPLIES	MOTOR PARTS & EQUIPMENT CORP	AIR FILTER	47.07
101-36471-53406	AUTO PARTS & SUPPLIES	MOTOR PARTS & EQUIPMENT CORP	FUSE	2.95
101-36471-53406	AUTO PARTS & SUPPLIES	RUSH TRUCK CENTER	BATTERY COVER	173.85
101-36471-53406	AUTO PARTS & SUPPLIES	WICKSTROM AUTO GROUP, INC	BLEND MOTOR	27.14
101-36471-53406	AUTO PARTS & SUPPLIES	WICKSTROM AUTO GROUP, INC	CALIPER	160.16
101-36471-53406	AUTO PARTS & SUPPLIES	WICKSTROM AUTO GROUP, INC	CREDIT PARTS RETURN	(57.12)
101-36471-53406	AUTO PARTS & SUPPLIES	AMAZON.COM SALES, INC	FENDER BRACKETS	360.99
101-36471-53406	AUTO PARTS & SUPPLIES	STROBES N MORE 401-34868	BRAKE LIGHTS 212	302.43
101-36471-53406	AUTO PARTS & SUPPLIES	STROBES N MORE 401-34868	SCENE LIGHTS 243	723.72
101-36471-53407	EQUIP MAINT PART&SUPPLIE	ADAMS STEEL SERVICE & SUPPLY, INC	STEEL PLATES	150.98
101-36471-53407	EQUIP MAINT PART&SUPPLIE	ATLAS BOBCAT, LLC	CAP	68.35
101-36471-53407	EQUIP MAINT PART&SUPPLIE	ATLAS BOBCAT, LLC	FILTERS	518.34
101-36471-53407	EQUIP MAINT PART&SUPPLIE	ATLAS BOBCAT, LLC	FILTERS	395.12
101-36471-53407	EQUIP MAINT PART&SUPPLIE	ATLAS BOBCAT, LLC	FILTERS	187.29
101-36471-53407	EQUIP MAINT PART&SUPPLIE	ATLAS BOBCAT, LLC	BELTS	372.17
101-36471-53407	EQUIP MAINT PART&SUPPLIE	BONNELL INDUSTRIES INC	PLOW PIN	54.42
101-36471-53407	EQUIP MAINT PART&SUPPLIE	HOME DEPOT CREDIT SERVICES	BUSHING	13.84
101-36471-53407	EQUIP MAINT PART&SUPPLIE	MOTOR PARTS & EQUIPMENT CORP	FILTER	7.32
101-36471-53407	EQUIP MAINT PART&SUPPLIE	MOTOR PARTS & EQUIPMENT CORP	BREAK AWAY	67.83
101-36471-53407	EQUIP MAINT PART&SUPPLIE	MOTOR PARTS & EQUIPMENT CORP	FILTERS	267.82
101-36471-53407	EQUIP MAINT PART&SUPPLIE	MOTOR PARTS & EQUIPMENT CORP	CORE CREDIT	(18.00)
101-36471-53407	EQUIP MAINT PART&SUPPLIE	MOTOR PARTS & EQUIPMENT CORP	HOSE CLAMP	3.90
101-36471-53407	EQUIP MAINT PART&SUPPLIE	R.N.O.W., INC	WATER PUMP	627.12
101-36471-53407	EQUIP MAINT PART&SUPPLIE	WEST SIDE TRACTOR SALES	FILTERS	208.80
101-36471-53407	EQUIP MAINT PART&SUPPLIE	WEST SIDE TRACTOR SALES	FILTER	89.97
101-36471-53407	EQUIP MAINT PART&SUPPLIE	WHOLESALE DIRECT, INC	CASTER	33.35
101-36471-53414	CHEMICALS	AMAZON.COM SALES, INC	METAL PREP	39.67
101-36471-53414	CHEMICALS	MOTOR PARTS & EQUIPMENT CORP	BRAKLEEN	200.88
101-36471-53415	FUELS	BELL FUELS SERVICE CO	FUEL 10/8	9,354.03
101-36471-53415	FUELS	BELL FUELS SERVICE CO	FUEL 10/8	8,911.11

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101-36471-53418	LUBRICANTS & FLUIDS	LEACH ENTERPRISES INC.	WASHER SOLVENT	472.50
101-36471-53418	LUBRICANTS & FLUIDS	MOTOR PARTS & EQUIPMENT CORP	FILTERS	79.92
101-36471-53418	LUBRICANTS & FLUIDS	MOTOR PARTS & EQUIPMENT CORP	BRAKE FLUID	24.21
Total For Dept 36471 PUBLIC WORKS FLEET SERVICES				28,107.59
Dept 67001 RECREATION ADMINISTRATION				
101-67001-51654	MEMBERSHIPS & SUBSCRIP	A S C A P	ADMIN- MEMBERSHIPS & SUBSCRIPTIONS	372.83
101-67001-53208	OFFICE SUPPLIES	AMAZON.COM SALES, INC	ADMIN - PEN HOLDERS	25.96
101-67001-53211	OTHER SUPPLIES	AMAZON.COM SALES, INC	ACRYLIC SHEETS	(92.72)
101-67001-53212	PROGRAM SUPPLIES	PERRICONE GARDEN CENTER & NURSERY	MEMORIAL TREE	250.00
101-67001-54301	BANK & CREDIT CARD FEES	PLUG N PAY INC 800-945-2	ADMIN- BANK & CREDIT CARD FEES	51.62
Total For Dept 67001 RECREATION ADMINISTRATION				607.69
Dept 67935 RECREATION DANCE				
101-67935-53211	OTHER SUPPLIES	AMAZON.COM SALES, INC	RECITAL PROPS	16.95
101-67935-53211	OTHER SUPPLIES	AMAZON.COM SALES, INC	WAITING ROOM RUG	7.99
101-67935-53211	OTHER SUPPLIES	DISCOUNT DANCE SUPPLY 800-451-5	LEOTARDS	1,086.40
101-67935-53211	OTHER SUPPLIES	DISCOUNT DANCE SUPPLY 800-451-5	CREDIT FOR MISPRINT ON BAGS	(28.00)
101-67935-53211	OTHER SUPPLIES	JUST FOR KIX CATALOG L 218-82937	LEOTARDS	282.12
101-67935-53212	PROGRAM SUPPLIES	AMAZON.COM SALES, INC	WAITING ROOM RUG	37.39
101-67935-53212	PROGRAM SUPPLIES	AMAZON.COM SALES, INC	STAKES FOR GOOSE CONTROL	47.85
101-67935-53213	FUNDRAISING EXPENSES	APPLAUSE TALENT PRESENTATIONS	DEPOSIT FOR COMPETITION	500.00
Total For Dept 67935 RECREATION DANCE				1,950.70
Dept 67940 RECREATION PRESCHOOL				
101-67940-53212	PROGRAM SUPPLIES	AMAZON.COM SALES, INC	STAKES FOR GOOSE CONTROL	47.85
101-67940-53212	PROGRAM SUPPLIES	AMAZON.COM SALES, INC	PRESCHOOL - OUTLET COVERS	96.53
101-67940-53212	PROGRAM SUPPLIES	AMAZON.COM SALES, INC	PRESCHOOL - WALKING ROPE	19.99
101-67940-53212	PROGRAM SUPPLIES	AMAZON.COM SALES, INC	PRESCHOOL - DO A DOT MARKERS	809.10
101-67940-53212	PROGRAM SUPPLIES	AMAZON.COM SALES, INC	PRESCHOOL - LYSOL	25.58
101-67940-53212	PROGRAM SUPPLIES	AMAZON.COM SALES, INC	PRESCHOOL - BINDERS	79.83
101-67940-53212	PROGRAM SUPPLIES	AMAZON.COM SALES, INC	PRESCHOOL - CALENDAR	80.84
101-67940-53212	PROGRAM SUPPLIES	EDUCATION.COM EDUCATION.	PRESCHOOL - EDUCATION.COM	47.88

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101-67940-53212	PROGRAM SUPPLIES	PAYPAL *JOLLYREADIN 402-935-7	PRESCHOOL - JOLLY PHONICS CURRICULUM	460.05
		Total For Dept 67940 RECREATION PRESCHOOL		1,667.65
Dept 67945 RECREATION YOUTH PROGRAMS				
101-67945-52115	RECREATION PROGRAM SVC	FAMBROW MANAGEMENT, LLC	FALL I - CHESS SCHOLARS (8)	608.00
101-67945-52115	RECREATION PROGRAM SVC	FAMBROW MANAGEMENT, LLC	LET'S BUILD IT (8)	736.00
		Total For Dept 67945 RECREATION YOUTH PROGRAMS		1,344.00
Dept 67960 RECREATION CAMPS				
101-67960-52115	RECREATION PROGRAM SVC	BARRINGTON TRANSPORTATION CO.	TEEN CAMP 2021 FIELD TRIP TRANSPORTATIO	5,889.00
		Total For Dept 67960 RECREATION CAMPS		5,889.00
Dept 67970 RECREATION AQUATICS				
101-67970-53211	OTHER SUPPLIES	AMAZON.COM SALES, INC	STAKES FOR GOOSE CONTROL	58.37
101-67970-53211	OTHER SUPPLIES	FRANKENSTITCH PROMOTIONS, LLC	NON-MOTORIZED DECALS	195.00
101-67970-55254	MACHINERY & EQUIPMENT	LOWES #02751* VERNON HI	BEACH STORAGE SHED	288.50
101-67970-55254	MACHINERY & EQUIPMENT	LOWES #02751* VERNON HI	BEACH STORAGE SHED	(19.50)
		Total For Dept 67970 RECREATION AQUATICS		522.37
Dept 67985 RECREATION FITNESS				
101-67985-52115	RECREATION PROGRAM SVC	NFRONT ATHLETICS LLC	FALL I SPRINTING & OLYMPIC - 12 PARTICIPAN	740.00
		Total For Dept 67985 RECREATION FITNESS		740.00
<b>Total For Fund 101 GENERAL</b>				<b>155,985.52</b>
<b>Fund 202 MOTOR FUEL TAX</b>				
Dept 36001 PUBLIC WORKS ADMINISTRATION				
202-36001-53201	ELECTRICITY	AEP ENERGY, INC	STREETLIGHT ELECTRIC	12,690.74
202-36001-53201	ELECTRICITY	COMMONWEALTH EDISON	STREETLIGHT ELECTRIC	343.91
202-36001-55253	INFRASTRUCTURE IMPROVEMT	TRAFFIC CONTROL & PROTECTION INC	SIGNS	153.00
		Total For Dept 36001 PUBLIC WORKS ADMINISTRATION		13,187.65
<b>Total For Fund 202 MOTOR FUEL TAX</b>				<b>13,187.65</b>

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<i>GL Number</i>	<i>GL Desc</i>	<i>Vendor</i>	<i>Invoice Description</i>	<i>Amount</i>
<b>Fund 207 SPECIAL EVENTS FUND</b>				
Dept 00000				
207-00000-15001	PREPAID EXPENDITURES	DIVERSIFIED AUDIO GROUP, INC	FY22 DEPOSIT FOR RTB SOUND	1,000.00
207-00000-22501	ER - UNDISTRIBUTED LIFE INS	I P B C	INSURANCE COVERAGE - OCTOBER 2021	4.47
		Total For Dept 00000		1,004.47
Dept 67601 RECREATION ROCK THE BLOCK				
207-67601-53212	PROGRAM SUPPLIES	AMAZON.COM SALES, INC	RUBBER GLOVES FOR SERVING	62.53
207-67601-53212	PROGRAM SUPPLIES	AMAZON.COM SALES, INC	RTB BAR OPENERS	27.98
207-67601-53212	PROGRAM SUPPLIES	AMAZON.COM SALES, INC	STAKES FOR GOOSE CONTROL	95.70
207-67601-53212	PROGRAM SUPPLIES	JEWEL #3485 LAKE ZURI	RTB WATER AND ICE	162.80
207-67601-53212	PROGRAM SUPPLIES	JEWEL #3485 LAKE ZURI	RTB ICE	79.84
207-67601-53212	PROGRAM SUPPLIES	LAKELAND CATERERS INC LAKE ZURI	RTB BAND FOOD, PIZZA	245.00
207-67601-53212	PROGRAM SUPPLIES	OFFICE DEPOT	RTB POSTERS	174.00
207-67601-53212	PROGRAM SUPPLIES	WAL-MART #1404 LAKE ZURI	BAND FOOD/DRINKS RTB	110.48
207-67601-53212	PROGRAM SUPPLIES	AMAZON.COM SALES, INC	PRESCHOOL - OUTLET COVERS	239.99
207-67601-53212	PROGRAM SUPPLIES	AMAZON.COM SALES, INC	RTB - CANOPY TENT REFUND	(239.99)
207-67601-53212	PROGRAM SUPPLIES	AMAZON.COM SALES, INC	RTB - TOWELS, TABLE COVERS	87.00
207-67601-53212	PROGRAM SUPPLIES	AMAZON.COM SALES, INC	PRESCHOOL - DO A DOT MARKERS	111.98
207-67601-53212	PROGRAM SUPPLIES	AMAZON.COM SALES, INC	PRESCHOOL - BINDERS	17.52
207-67601-53212	PROGRAM SUPPLIES	AMAZON.COM SALES, INC	RTB - STORAGE BOX, BATTERIES, NAPKIN HOL	133.17
207-67601-53212	PROGRAM SUPPLIES	CORNER BAKERY CAFE #248	RTB - STAFF/VOLUNTEER BOX MEALS	366.79
207-67601-54302	PUBLIC RELATIONS	FRANKENSTITCH PROMOTIONS, LLC	NON-MOTORIZED DECALS	468.00
207-67601-54302	PUBLIC RELATIONS	FRANKENSTITCH PROMOTIONS, LLC	RTB- BANNERS, SIGNS, STAKES	750.50
207-67601-54302	PUBLIC RELATIONS	PADDOCK PUBLICATIONS INC.	ROCK THE BLOCK PROMO	1,469.27
		Total For Dept 67601 RECREATION ROCK THE BLOCK		4,362.56
Dept 67604 RECREATION FOURTH OF JULY FESTIVAL				
207-67604-52115	RECREATION PROGRAM SERV	EMPIRE COOLER SERVICE 312-733-3	CONCESSION ICE MACHINE	1,000.00
		Total For Dept 67604 RECREATION FOURTH OF JULY FESTIVAL		1,000.00



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Dept 67605 RECREATION WINTER FESTIVAL				
207-67605-53212	PROGRAM SUPPLIES	HOME DEPOT CREDIT SERVICES	EXTENSION CORDS FOR MOM	369.04
		Total For Dept 67605 RECREATION WINTER FESTIVAL		369.04
Dept 67699 RECREATION MISC SPECIAL EVENTS				
207-67699-52115	RECREATION PROGRAM SVC	DANCE PARTY DJS INC	FY22 JUNE MOVIE IN THE PARK DEPOSIT	100.00
207-67699-52115	RECREATION PROGRAM SVC	DANCE PARTY DJS INC	FY22 JULY MOVIE IN THE PARK DEPOSIT	100.00
207-67699-52115	RECREATION PROGRAM SVC	SWANK MOTION PICTURES SAINT LOU	MIP - SWANK SCREEN/SOUND	(60.00)
207-67699-53212	PROGRAM SUPPLIES	BP#9365941LAKE ZURICH LAKE ZURI	ICE	26.82
207-67699-53212	PROGRAM SUPPLIES	JEWEL #3485 LAKE ZURI	FOOD/INCIDENTALS CLOTHING DRIVE	178.02
		Total For Dept 67699 RECREATION MISC SPECIAL EVENTS		344.84
<b>Total For Fund 207 SPECIAL EVENTS FUND</b>				<b>7,080.91</b>
<b>Fund 210 TIF #1</b>				
Dept 10490 GENERAL GOVERNMENT TIF				
210-10490-54309	SCHOOL TIF IMPACT FEE	LAKE ZURICH COMMUNITY UNIT	TIF IMPACT FEE - 2020 LEVY	544,698.54
		Total For Dept 10490 GENERAL GOVERNMENT TIF		544,698.54
<b>Total For Fund 210 TIF #1</b>				<b>544,698.54</b>
<b>Fund 214 TIF #2 DOWNTOWN</b>				
Dept 10490 GENERAL GOVERNMENT TIF				
214-10490-55253	INFRASTRUCTURE IMPROVEMT	MANHARD CONSULTING LTD	SOR INFRASTRUCTURE DESING	5,659.50
		Total For Dept 10490 GENERAL GOVERNMENT TIF		5,659.50
<b>Total For Fund 214 TIF #2 DOWNTOWN</b>				<b>5,659.50</b>
<b>Fund 227 DISPATCH CENTER</b>				
Dept 00000				
227-00000-22501	ER - UNDISTRIBUTED LIFE INS	I P B C	INSURANCE COVERAGE - OCTOBER 2021	79.69
		Total For Dept 00000		79.69

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Dept 24220 POLICE DISPATCH				
227-24220-51652	TRAINING AND MEETINGS	N E N A	TRNG COURSE - LOVELACE	796.00
227-24220-53209	UNIFORMS	GALL'S, LLC	LOVELACE - SHIRT, SOCKS	86.18
227-24220-53209	UNIFORMS	GALL'S, LLC	SCHROEDER - SOCKS, BOOTS	118.36
Total For Dept 24220 POLICE DISPATCH				1,000.54
<b>Total For Fund 227 DISPATCH CENTER</b>				<b>1,080.23</b>
<b>Fund 405 NHR CAPITAL PROJECTS</b>				
Dept 36001 PUBLIC WORKS ADMINISTRATION				
405-36001-53416	CONCRETE & ASPHALT	FISCHER BROS FRESH CONCRETE, INC.	CONCRETE 10/18	538.75
405-36001-53416	CONCRETE & ASPHALT	PETER BAKER & SON COMPANY	BLACKTOP 10/14	458.85
405-36001-53416	CONCRETE & ASPHALT	PETER BAKER & SON COMPANY	BLACKTOP 10/5, 10/6	799.68
405-36001-55253	INFRASTRUCTURE IMPROVEMT	MANHARD CONSULTING LTD	2021 ROAD RESURFACING PRG	2,719.50
405-36001-55253	INFRASTRUCTURE IMPROVEMT	MANHARD CONSULTING LTD	2022 ROAD RESURFACING PRG	5,140.25
Total For Dept 36001 PUBLIC WORKS ADMINISTRATION				9,657.03
<b>Total For Fund 405 NHR CAPITAL PROJECTS</b>				<b>9,657.03</b>
<b>Fund 501 WATER &amp; SEWER</b>				
Dept 00000				
501-00000-22501	ER - UNDISTRIBUTED LIFE INS	I P B C	INSURANCE COVERAGE - OCTOBER 2021	86.16
Total For Dept 00000				86.16
Dept 36001 PUBLIC WORKS ADMINISTRATION				
501-36001-51654	MEMBERSHIPS & SUBSCRIP	J U L I E INC.	ANNUAL (2021) MEMBERSHIP ASSESSEMENT	3,011.23
501-36001-52201	VILLAGE ATTORNEY	KLEIN THORPE & JENKINS	LEGAL SERVICES THROUGH 8/31/2021	680.00
501-36001-53203	TELEPHONE & DATA SVCS	WINDSTREAM	ANALOG LINES - OCT 2021	641.71
501-36001-53203	TELEPHONE & DATA SVCS	CALL ONE, INC	ANALOG LINES - OCT 2021	113.45
501-36001-53208	OFFICE SUPPLIES	RUNCO OFFICE SUPPLY & EQUIPMENT CO.	SCISSORS, PAPER, BLTN BD, PENS, CALENDAR	156.39
501-36001-53208	OFFICE SUPPLIES	AMAZON.COM SALES, INC	WHITE OUT, CALENDARS	36.86
501-36001-53209	UNIFORMS	CINTAS CORPORATION #2	UNIFORMS/MATS 10-21	30.68
501-36001-53209	UNIFORMS	CINTAS CORPORATION #2	UNIFORMS/MATS 10/14	35.52

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501-36001-53209	UNIFORMS	ELEGANT EMBROIDERY INC	UNIFORMS - LONG SLEEVE SHIRTS	785.50
501-36001-54305	EMPLOYEE EXAMS	NORTHWEST COMMUNITY HOSPITAL	DOT TESTING CREDIT	(30.00)
		Total For Dept 36001 PUBLIC WORKS ADMINISTRATION		5,461.34
Dept 36550 PUBLIC WORKS WATER SERVICE				
501-36550-52606	SYSTEM(S) INSPECTIONS	AMERICAN BACKFLOW & FIRE PREVENTION	BACKFLOW INSPECTION 2021	300.00
501-36550-52709	MAINT-METERS	HBK WATER METER SERVICE INC.	METER ACCURACY BENCH TEST	25.50
501-36550-53202	NATURAL GAS	NICOR GAS COMPANY	NATURAL GAS - WELL #7	143.57
501-36550-53202	NATURAL GAS	NICOR GAS COMPANY	NATURAL GAS - WELL #8	140.11
501-36550-53202	NATURAL GAS	NICOR GAS COMPANY	NATURAL GAS - WELL #9	51.77
501-36550-53202	NATURAL GAS	NICOR GAS COMPANY	NATURAL GAS - WELL #12	45.94
501-36550-53210	SMALL TOOLS & EQUIP	USA BLUEBOOK	SMALL TOOLS AND EQUIPMENT	532.80
501-36550-53210	SMALL TOOLS & EQUIP	USA BLUEBOOK	SMALL TOOLS & EQUIPMENT	73.62
501-36550-53211	OTHER SUPPLIES	HACH COMPANY	WATER HARDNESS ANALYZER	170.90
501-36550-53211	OTHER SUPPLIES	HACH COMPANY	WATER ANALYZER REAGENTS	329.90
501-36550-53403	LANDSCAPING SUPPLIES	CONSERV FS, INC	LANDSCAPE REPAIR SUPPLIES	433.52
501-36550-53405	BLDG & GROUND MAINT SUPP	HOME DEPOT CREDIT SERVICES	BUILDING LIGHT BULBS	368.20
501-36550-53407	EQUIP MAINT PART&SUPPLIE	HOME DEPOT CREDIT SERVICES	AIRLINE FITTING/WELL 9 BRINE VALVE	4.06
501-36550-53413	DISTRIBUTION SYS REPAIR	JOSEPH D FOREMAN & COMPANY, INC	DISTRIBUTION REPAIR ITEMS	94.00
501-36550-53413	DISTRIBUTION SYS REPAIR	VOLLMAR CLAY PRODUCTS CO	THRUST BLOCKS/BRICKS	33.70
501-36550-53414	CHEMICALS	COMPASS MINERALS AMERICAN INC	BULK WTR COND SALT - WELL #10	2,213.84
501-36550-53414	CHEMICALS	COMPASS MINERALS AMERICAN INC	BULK WTR COND SALT - WELL #8	2,332.88
		Total For Dept 36550 PUBLIC WORKS WATER SERVICE		7,294.31
Dept 36560 PUBLIC WORKS SEWER SERVICE				
501-36560-52111	OTHER PROFESSIONAL SVCS	METROPOLITAN INDUSTRIES INC.	METROCLOUD MONITORING/11 LIFT STATION	360.00
501-36560-52607	WATER SAMPLE ANALYSIS	FIRST ENVIRONMENTAL LABORATORIES, I	WASTEWATER SAMPLE ANALYSIS	400.50
501-36560-53201	ELECTRICITY	CONSTELLATION NEW ENERGY, INC.	LIFT/PUMP STATIONS - 805 CHURCH ST	24.64
501-36560-55253	INFRASTRUCTURE IMPROVEMT	MANHARD CONSULTING LTD	2021 SANITARY SEWER LINING	6,256.50
501-36560-55256	VEHICLES	STROBES N MORE 401-34868	WARNING LIGHTS-RODDER	347.18
		Total For Dept 36560 PUBLIC WORKS SEWER SERVICE		7,388.82
<b>Total For Fund 501 WATER &amp; SEWER</b>				<b>20,230.63</b>

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<b>Fund 601 MEDICAL INSURANCE</b>				
Dept 10001 GENERAL GOVERNMENT ADMINISTRATION				
601-10001-52340	MEDICAL ADMIN FEE	BASIC	COBRA PLAN - OCT	102.00
601-10001-52340	MEDICAL ADMIN FEE	BASIC	FSA PLAN - OCT	97.65
601-10001-52340	MEDICAL ADMIN FEE	I P B C	INSURANCE COVERAGE - OCTOBER 2021	285.20
601-10001-52341	HEALTH INS. FIXED COSTS	I P B C	INSURANCE COVERAGE - OCTOBER 2021	186,586.66
601-10001-52342	LOCAL 150 HEALTH INS PRE	MIDWEST OPERATING ENG L/150	HERNANDEZ - COVERAGE	2,436.00
601-10001-52342	LOCAL 150 HEALTH INS PRE	MIDWEST OPERATING ENG L/150	LOCAL 150 INSURANCE - DECEMBER 2021	42,890.00
Total For Dept 10001 GENERAL GOVERNMENT ADMINISTRATION				232,397.51
<b>Total For Fund 601 MEDICAL INSURANCE</b>				<b>232,397.51</b>
<b>Fund 603 RISK MANAGEMENT</b>				
Dept 00000				
603-00000-22501	ER - UNDISTRIBUTED LIFE INS	I P B C	INSURANCE COVERAGE - OCTOBER 2021	2.76
Total For Dept 00000				2.76
<b>Total For Fund 603 RISK MANAGEMENT</b>				<b>2.76</b>
<b>Fund 615 EQUIPMENT REPLACEMENT</b>				
Dept 10001 GENERAL GOVERNMENT ADMINISTRATION				
615-10001-55254	MACHINERY & EQUIPMENT	DELL USA LP	OPTIPLEX 3080 SFF	7,532.63
615-10001-55254	MACHINERY & EQUIPMENT	INSIGHT PUBLIC SECTOR, INC	HARD DRIVE 12 TB	3,125.92
Total For Dept 10001 GENERAL GOVERNMENT ADMINISTRATION				10,658.55
Dept 36001 PUBLIC WORKS ADMINISTRATION				
615-36001-55262	VEHICLES - FIRE	FIRE SAFETY USA INC 507-529-8	LITTLE GIANT-NEW ENGINE	535.94
Total For Dept 36001 PUBLIC WORKS ADMINISTRATION				535.94
<b>Total For Fund 615 EQUIPMENT REPLACEMENT</b>				<b>11,194.49</b>

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<b>Fund 710 PERFORMANCE ESCROW</b>				
Dept 00000				
710-00000-18651	PROJECT FEES SUSPENSE	KLEIN THORPE & JENKINS	LEGAL SERVICES THROUGH 8/31/2021	726.00
710-00000-21455	BUILDING DEPOSIT PAYABLES	ABC	BD PAYMENT REF - PERMIT #PB21-1337	105.00
710-00000-21455	BUILDING DEPOSIT PAYABLES	ABC	BD PAYMENT REF - PERMIT #PB21-0396	105.00
710-00000-21455	BUILDING DEPOSIT PAYABLES	ABC	BD PAYMENT REF - PERMIT #PB21-0489	105.00
710-00000-21455	BUILDING DEPOSIT PAYABLES	ABC	BD PAYMENT REF - PERMIT #PB21-0042	105.00
710-00000-21455	BUILDING DEPOSIT PAYABLES	AES MECHANICAL SERVICES GROUP INC	BD PAYMENT REF - PERMIT #PB21-1068	155.00
710-00000-21455	BUILDING DEPOSIT PAYABLES	AMERICAN THERMAL WINDOW	BD PAYMENT REF - PERMIT #PB21-0852	105.00
710-00000-21455	BUILDING DEPOSIT PAYABLES	ARS OF ILLINOIS	BD PAYMENT REF - PERMIT #PB21-0893	105.00
710-00000-21455	BUILDING DEPOSIT PAYABLES	AUTO-RAIN	BD PAYMENT REF - PERMIT #PB21-1195	1,020.00
710-00000-21455	BUILDING DEPOSIT PAYABLES	BLAKESLEE, RICHARD	BD PAYMENT REF - PERMIT #PB21-0857	105.00
710-00000-21455	BUILDING DEPOSIT PAYABLES	DOBRZYNSKI, ERWIN	BD PAYMENT REF - PERMIT #PB20-0064	105.00
710-00000-21455	BUILDING DEPOSIT PAYABLES	DUNCAN, CHARLES T	BD PAYMENT REF - PERMIT #PB21-0209	105.00
710-00000-21455	BUILDING DEPOSIT PAYABLES	GENESIS CONSTRUCTION INC	BD PAYMENT REF - PERMIT #PB21-1064	155.00
710-00000-21455	BUILDING DEPOSIT PAYABLES	HOME DEPOT USA INC	BD PAYMENT REF - PERMIT #PB21-0238	105.00
710-00000-21455	BUILDING DEPOSIT PAYABLES	M/I HOMES OF CHICAGO	BD PAYMENT REF - PERMIT #PB21-0128	105.00
710-00000-21455	BUILDING DEPOSIT PAYABLES	MULLER EXTERIORS	BD PAYMENT REF - PERMIT #PB21-0134	105.00
710-00000-21455	BUILDING DEPOSIT PAYABLES	NEXT DOOR AND WINDOW	BD PAYMENT REF - PERMIT #PB21-0865	105.00
710-00000-21455	BUILDING DEPOSIT PAYABLES	NVR RYAN HOMES	BD PAYMENT REF - PERMIT #PB21-1037	510.00
710-00000-21455	BUILDING DEPOSIT PAYABLES	RAH-KHEM, SHABAZZ & DANA	BD PAYMENT REF - PERMIT #PB21-0602	105.00
710-00000-21455	BUILDING DEPOSIT PAYABLES	RENEWAL BY ANDERSON	BD PAYMENT REF - PERMIT #PB21-1169	105.00
710-00000-21455	BUILDING DEPOSIT PAYABLES	SUNRUN INSTALLATION INC	BD PAYMENT REF - PERMIT #PB21-1210	105.00
710-00000-21455	BUILDING DEPOSIT PAYABLES	TERRAGAR CONSTRUCTION	BD PAYMENT REF - PERMIT #PB21-1160	105.00
710-00000-21455	BUILDING DEPOSIT PAYABLES	TUFF SHED INC	BD PAYMENT REF - PERMIT #PB21-1192	105.00
710-00000-21455	BUILDING DEPOSIT PAYABLES	URSIN, STEVE	BD PAYMENT REF - PERMIT #PB21-1103	105.00
710-00000-21455	BUILDING DEPOSIT PAYABLES	WINDOWS AND EXTERIORS BY OLSON, IN	BD PAYMENT REF - PERMIT #PB21-0976	60.00
710-00000-25502	PEG CABLE FEES	COMCAST CABLE COMMUNICATIONS MGMT	COMBINED INTERNET - OCT/NOV	885.27
710-00000-25502	PEG CABLE FEES	APPLE STORE #R258 DEER PARK	STORAGE - STREAMING CONFIGURATIONS	2.99
710-00000-25502	PEG CABLE FEES	MATTISON, JUSTIN N	MEDIA CREW - OCT 2021	97.50
710-00000-25502	PEG CABLE FEES	VIRGILIO, OLIVIA C	MEDIA CREW - OCT 2021	75.00
Total For Dept 00000				<u>5,681.76</u>

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<b>Total For Fund 710 PERFORMANCE ESCROW</b>				<b>5,681.76</b>
<b>Fund 720 PAYROLL CLEARING</b>				
Dept 00000				
720-00000-22253	IMRF W/H	I M R F	PR DEDUCTIONS - SEPTEMBER 2021	67,253.72
720-00000-22301	DENTAL / VISION BENEFITS	STANDARD LIFE INSURANCE COMPANY	DENTAL / VISION INSURANCE PREMIUM	9,523.40
720-00000-22301	DENTAL / VISION BENEFITS	VISION SERVICE PLAN OF ILLINOIS NFP	VISION INSURANCE PREMIUM	1,789.38
720-00000-22403	AFLAC PLANS PAYABLE	AFLAC INC.	AFLAC INSURANCE PREMIUM	6,246.80
720-00000-22404	SUPPLEMENTAL LIFE INS PAYABLE	I P B C	INSURANCE COVERAGE - OCTOBER 2021	1,024.28
Total For Dept 00000				85,837.58
<b>Total For Fund 720 PAYROLL CLEARING</b>				<b>85,837.58</b>
<b>Fund Totals:</b>				
Fund 101 GENERAL				155,985.52
Fund 202 MOTOR FUEL TAX				13,187.65
Fund 207 SPECIAL EVENTS FUND				7,080.91
Fund 210 TIF #1				544,698.54
Fund 214 TIF #2 DOWNTOWN				5,659.50
Fund 227 DISPATCH CENTER				1,080.23
Fund 405 NHR CAPITAL PROJECTS				9,657.03
Fund 501 WATER & SEWER				20,230.63
Fund 601 MEDICAL INSURANCE				232,397.51
Fund 603 RISK MANAGEMENT				2.76
Fund 615 EQUIPMENT REPLACEMENT				11,194.49
Fund 710 PERFORMANCE ESCROW				5,681.76
Fund 720 PAYROLL CLEARING				85,837.58
<b>Total for All Funds</b>				<b>\$ 1,092,694.11</b>

*At the Heart of Community*

PUBLIC WORKS DEPARTMENT  
505 Telser Road  
Lake Zurich, Illinois 60047

(847) 540-1696  
Fax (847) 726-2182  
LakeZurich.org

AGENDA ITEM

6C

### MEMORANDUM

**Date:** October 26, 2021  
**To:** Ray Keller, Village Manager *RK*  
**From:** Michael J. Brown, Director of Public Works  
**Subject:** 2022-2024 Janitorial Services

**Issue:** The Village's janitorial services contract is set to expire on December 31, 2021. The Village currently contracts janitorial services for cleaning at several municipal buildings that include the Police Department, Village Hall, Community Services, and Park and Recreation facilities.

**Village Strategic Plan:** This agenda item is consistent with the following objectives under Goal #1 Financial Sustainability:

- Continue to conduct organizational analyses to determine if further efficiencies are obtainable.

**Analysis:** Staff solicited bids in early August for a new three-year contract that would be in effect as of January 1, 2022 through December 31, 2024. The bid opening occurred on September 30, 2021 with the Village receiving six (6) bids, the bid results are shown below.

The two lowest responsible submissions, Eco Clean Maintenance, INC. and Alpha Building Maintenance, INC were reviewed, and reference checks were performed on both vendors with Eco Clean Maintenance, INC. providing adequate service at multiple public facilities including Waukegan Park District, and the Will County Public Offices.

**The bid submittals for services is provided below:**

Alpha Building Maintenance, Inc	\$7,883.00
Bravo Services, Inc	\$8,670.00
Total Facility Maintenance, Inc	\$12,040.00
ECO Clean Maintenance, Inc	\$6,936.00
EMCEE Building Services, LLC	\$8,583.00
Multisystem Management Company	\$19,292.00

A summary of the service cost per facility is provided below:

<u>Location</u>	<u>Monthly</u>	<u>Annual</u>
Village Hall	\$1,069.00	\$12,828.00
Police Department	\$1,895.00	\$22,740.00
Community Services	\$779.00	\$9,348.00
Paulus Park Barn	\$941.00	\$11,292.00
Paulus Park Chalet	\$389.00	\$4,668.00
Paulus Park Concession Restrooms	\$702.00	\$8,424.00
Breezewald Park Restrooms	\$259.00	\$3,108.00
Buffalo Creek Park Building "A"	\$669.00	\$8,028.00
Buffalo Creek Park Building "B"	\$233.00	\$2,796.00
<b>TOTAL</b>	<b>\$6,936.00</b>	<b>\$83,232.00</b>

**Recommendation:** Award a contract for the janitorial services to the lowest responsible bidder, Eco Clean Maintenance, INC, Elmhurst, Illinois in the amount not to exceed \$83,232.00

**W/Attachments:**

1. Bid Submittal – Eco Clean Maintenance, INC, Elmhurst, Illinois
2. Bid Tab



Village Of Lake Zurich  
2022-2024 Janitorial Services

## FORM OF PROPOSAL

TO: Village of Lake Zurich  
70 East Main Street  
Lake Zurich, Illinois 60047



FROM:

Eco Clean Maintenance

CONTRACTOR

515 W Wrightwood Ave

ADDRESS

Elmhurst IL 60126

CITY, STATE, ZIP CODE

773-616-9009

TELEPHONE NUMBER

Dylan MEYER

CONTRACTOR'S CONTACT FOR THIS BID

DMEYER@EcoCleanMaintenance.COM

E-MAIL

Having examined the Specifications, and Instructions to Bidders, Form of Contract and having thoroughly examined the site and pertinent areas adjacent thereto, acknowledging the same to be accurate and complete insofar as pertinent details are concerned, we the undersigned agree to furnish all labor, materials, equipment, tools and services or whatever else is required for construction as enumerated below, all in accordance with Specifications and Contract Documents, and entitled:

Village Of Lake Zurich  
2022-2024 Janitorial Services

**CONTRACT DOCUMENTS AND SPECIFICATIONS**  
**FOR**  
**JANITORIAL SERVICES**  
**LAKE ZURICH, ILLINOIS**

The undersigned Bidder declares that he/they understands that where quantities are mentioned, they are approximate only, subject to increase or decrease that in such cases, Bidder will take in full payment therefore the amount of the summation of the actual quantities, as finally determined, multiplied by the unit price shown on the Schedule of Prices contained herein.

The undersigned further agrees that if the Owner decides to increase or decrease the improvements or otherwise alter it by extras, additions or deductions, including the elimination of any one or more of the items by the amount not to exceed twenty-five percent (25%) of the total money value of the original contract prices, Bidder will perform the work as altered, increased, or decreased at the contract unit prices. Furthermore, all such work and materials as do not appear in the Proposal or Contract as a specific item accompanied by a unit price, and which are not included under the bid price for other items in this Contract, shall be performed as extra work. Bidder will accept as full compensation therefore a fixed price negotiated with the Owner prior to performing extra work or at a unit price determined in the same manner.

The undersigned further agrees to execute a Contract for this work and present the same to the Owner within ten (10) calendar days after the date of written notice of the award of the Contract to him.

The undersigned further agrees that he will commence work not later than ten (10) calendar days after written notice to proceed and execution and approval of the Contract and the Contract Bond, unless otherwise provided, and will diligently prosecute the work in such manner and with such materials, equipment, and labor as will insure its completion within the time limit specified herein, it being understood and agreed that the completion within the time limit is an essential part of the Contract. In case of failure to complete the work within the time stated herein or within such extra time as may have been allowed by extensions, the undersigned agrees that the Owner shall withhold from such sums as may be due him under the terms of this Contract the costs (which costs shall be considered and treated not as a penalty but as damages due the Owner) of additional engineering and observation, maintenance of detours, interest, and other items have caused an expenditure of funds resulting from the failure of the undersigned to complete the work within the time specified in the contract.

The undersigned agrees that this contract shall remain in place until December 31, 2024 unless specific terms specifying otherwise are agreed upon by the Contractor and Owner.

Accompanying this Proposal is a bank draft, cashier's check, bid bond or certified check complying with the requirements of the Specifications, for 10% of the bid total per month, made payable to the Village of Lake Zurich.

The amount of the check or draft is: TWENTY-THOUSAND DOLLARS

(\$20,000.00)

(Fill in Amount)  
Contractor to fill in Amount

Village Of Lake Zurich  
2022-2024 Janitorial Services

If this Proposal is accepted and the undersigned fails to execute a Contract as required herein, it is hereby agreed that the amount of the check or draft shall become the property of the Owner and shall be considered as payment of damages due to delay and other causes suffered by the Owner because of failure to execute said Contract or Contract Bond; upon the undersigned properly executing a contract and furnishing a Contract Bond, said check or draft shall be returned to the undersigned.

The undersigned submits herewith his schedule of prices covering the work to be performed under the Contract; he understands that he must show in the schedule the unit prices where applicable for which he proposes to perform each item of work; that the extension must be made by him and that if not so done, his Proposal may be rejected as irregular.

SUBMITTED:

09/25/21  
Date

CONTRACTOR: Eco-Clean Maintenance

CORPORATE NAME: Eco-Clean Maintenance, INC.

BUSINESS ADDRESS: 515 W Wrightwood Ave

(CORPORATE SEAL)

ELMHURST IL 60126

TELEPHONE NUMBER: 773-616-9009

Attest: 

SIGNED BY: 

Village Of Lake Zurich  
2022-2024 Janitorial Services

### NON COLLUSION STATEMENT

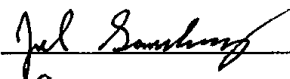
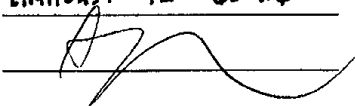
By submission of this Bid, the undersigned certifies, and in the case of a joint Bid, each party thereto certifies as to his own organization, that in connection with the Bid:

1. The prices in the Bid have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition, as to any manner relating to such prices with any other Bidder or with any competitor;
2. Unless otherwise required by law, the prices which have been quoted in the Bid have not knowingly been disclosed by the Bidder, prior to opening, directly or indirectly to any other Bidder or to any competitor; and,
3. No attempt has been made or will be made by the Bidder to induce any other person or firm to submit or not to submit a Bid for the purpose of restricting competition.
4. He is the person in the Bidder's organization responsible within that organization for the decision as to the prices being Bid but that he has been authorized to act as agent for the persons responsible for such decision in certifying that such persons have not participated, and will not participate, in any action contrary to Paragraphs 1 through 3, above, and as their agent shall so certify; and shall also certify the he has not participated, and will not participate in any action contrary to Paragraphs 1 through 3 above.

### COMPLIANCE WITH ARTICLE 33 OF THE CRIMINAL CODE OF 1961

I have completed the certificate included as part of this Bid Form regarding compliance with Article 33 of the Criminal code of 1961.

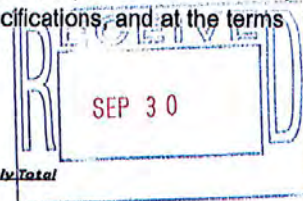
RESPECTFULLY SUBMITTED, signed and sealed this 25<sup>th</sup> day of September, 2021.

Contractor Eco Clean Maintenance  
 By (Signature)   
 Title Sales Manager  
 Address 515 W Wrightwood Ave  
ELMHURST IL 60126  
 Attest   
 SEAL

Village Of Lake Zurich  
2022-2024 Janitorial Services

## BID PROPOSAL

The undersigned proposes to furnish all labor, materials, tools, equipment and perform all necessary requirements for janitorial services with the attached conditions and specifications, and at the terms and schedule prices herein given:



<u><b>Village Hall</b></u>			<u><b>Facility Monthly Total</b></u>
<u><b>Task Group</b></u>	<u><b>Monthly Task Total</b></u>		
A			
B			
C			
D			
E			
F			
G			
H			
I			
J			
			<u><b>Village Hall Total</b></u>
			\$1,069
<u><b>Paulus Park Barn</b></u>			
A			
B			
C			
D			
E			
F			
G			
H			
			<u><b>Paulus Park Barn Total</b></u>
			\$941
<u><b>Buffalo Creek Building A</b></u>			
A			
B			
C			
D			
E			
			<u><b>Buffalo Creek Building A Total</b></u>
			\$669
<u><b>Buffalo Creek Building B</b></u>			
A			
B			
			<u><b>Buffalo Creek Building B Total</b></u>
			\$233
<u><b>Chalet</b></u>			
A			
B			
C			
			<u><b>Chalet Total</b></u>
			\$389
<u><b>Paulus Park Concession Restrooms</b></u>			
A			
			<u><b>Concession Restroom Total</b></u>
			\$702
<u><b>Breezewald Park Restrooms</b></u>			
A			
			<u><b>Breezewald Park Restroom Total</b></u>
			\$259
<u><b>Police Dept.</b></u>			
A			
B			
C			
D			
E			
F			
			<u><b>Police Dept. Total</b></u>
			\$1,895
<u><b>Community Services</b></u>			
A			
B			
C			
D			
E			
F			
G			
H			
I			
			<u><b>Community Services Total</b></u>
			\$779
			<u><b>Monthly Total</b></u>
			\$6,936

Village Of Lake Zurich  
2022-2024 Janitorial Services

## **Appendix "A"**

### **Facility: Village Hall 70 E. Main St, Lake Zurich, IL 60047**

#### **Task Group A To be performed 5 times per week (Monday-Friday)**

##### **Entryway**

1. Dust all HVAC registers and returns
2. Wash all interior glass/windows and doors.
3. Damp mop all hard surface floors.
4. Vacuum elevator carpet.
5. Remove cobwebs from floor to ceiling.
6. Sanitize all door handles.
7. Empty trash cans outside entrance as needed.
8. Dust window sills, and window treatments.
9. Vacuum all carpeting/mats.
10. Empty trash/recyclables and disinfect receptacles.

#### **Task Group B To be performed 5 times per week (Monday-Friday)**

##### **Reception Area**

1. Dust all HVAC registers and returns
2. Damp mop all hard surface floors.
3. Clean desk area.
4. Empty trash/recyclables and disinfect receptacles.
5. Sanitize all telephones.
6. Dust window sills, and window treatments.
7. Remove cobwebs from floor to ceiling.
8. Wash all interior glass/windows, and doors.

#### **Task Group C To be performed 5 times per week (Monday-Friday)**

##### **Offices/Conference Room (First Floor)**

1. Dust all HVAC registers and returns
2. Dust clean (cleared) desk tops.
3. Vacuum all carpeting/mats.
4. Empty trash/recyclables and disinfect receptacles.
5. Dust window sills, and window treatments.
6. Wash glass office cubicle.
7. Remove cobwebs from floor to ceiling.
8. Sanitize all door handles.
9. Sanitize all telephones.
10. Wash all interior glass/windows and doors.

#### **Task Group D To be performed 5 times per week (Monday-Friday)**

##### **Offices/Conference Room (Second Floor)**

1. Dust and clean (cleared) desk tops.
2. Vacuum all carpeting/mats.
3. Empty trash/recyclables and disinfect receptacles.

Selective Insurance Company of America  
40 Wantage Avenue  
Branchville, New Jersey 07890  
973-948-3000

Bond No. B 1251753

## BID BOND

### KNOW ALL MEN BY THESE PRESENTS:

That Eco Clean Maintenance, Inc.  
515 Wrightwood Avenue Elmhurst, IL 60126 (hereinafter called the Principal)  
as Principal, and the SELECTIVE INSURANCE COMPANY OF AMERICA, a corporation created and existing under  
the laws of the State of New Jersey, with its principal office in Branchville, New Jersey (hereinafter called the Surety),  
as Surety, are held and firmly bound unto Village of Lake Zurich  
70 E Main St Lake Zurich, IL 60047 (hereinafter called the Obligor)  
in the full and just sum of 10 % Percent of Total Bid Amount Dollars  
(\$ 10 %) good and lawful money of the United States of America, to the payments of which sum of  
money well and truly to be made, the said Principal and Surety bind themselves, their and each of their heirs, executors,  
administrators, successors and assigns, jointly and severally, firmly by these presents.

Signed, sealed and dated this 30th day of September, 2021 A.D.

THE CONDITION OF THIS OBLIGATION IS SUCH, That, if the Obligor shall make any award within 60 days to  
the Principal for  
Janitorial Service

according to the terms of the proposal or bid made by the Principal therefor, and the Principal shall duly make and  
enter into a contract with the Obligor in accordance with the terms of said proposal or bid and award and shall give  
bond for the faithful performance thereof with Surety or Sureties approved by the Obligor; or if the Principal shall,  
in case of failure so to do, pay to the Obligor the damages which the Obligor may suffer by reason of such failure, not  
exceeding the penalty of this bond, then this obligation shall be null and void; otherwise it shall be and remain in full  
force and effect.

When this Bond has been furnished to comply with a statutory, regulatory or other legal requirement in the location where  
the construction is to be performed, any provision in this Bond conflicting with said statutory, regulatory or legal  
requirement shall be deemed deleted from this form and provisions conforming to such statutory, regulatory or other  
legal requirement shall be deemed incorporated herein. The intent is that this Bond shall be construed as a statutory  
bond and not as a common-law bond.

In Testimony Whereof, the Principal and Surety have caused these presents to be duly signed and sealed.

Eco Clean Maintenance, Inc.

WITNESS: \_\_\_\_\_, PRINCIPAL

\_\_\_\_\_  
(If individual or firm) By: \_\_\_\_\_ (SEAL)

ATTEST: \_\_\_\_\_

\_\_\_\_\_  
(If Corporation)

SELECTIVE INSURANCE COMPANY OF AMERICA, SURETY

By: Collette Celaya  
Collette Celaya, Attorney-in-fact

B-201 (6/20)





Selective Insurance Company of America  
40 Wantage Avenue  
Branchville, New Jersey 07890 Bond No. B 1251753  
973-948-3000

### POWER OF ATTORNEY

**SELECTIVE INSURANCE COMPANY OF AMERICA**, a New Jersey corporation having its principal office at 40 Wantage Avenue, in Branchville, State of New Jersey ("SICA"), pursuant to Article VII, Section 1 of its By-Laws, which state in pertinent part:

The Chairman of the Board, President, Chief Executive Officer, any Executive Vice President, any Senior Vice President or any Corporate Secretary may, from time to time, appoint attorneys in fact, and agents to act for and on behalf of the Corporation and they may give such appointee such authority, as his/her certificate of authority may prescribe, to sign with the Corporation's name and seal with the Corporation's seal, bonds, recognizances, contracts of indemnity and other writings obligatory in the nature of a bond, recognizance or conditional undertaking, and any of said Officers may, at any time, remove any such appointee and revoke the power and authority given him/her.

does hereby appoint **Colette Celaya**

, its true and lawful attorney(s)-in-fact, full authority to execute on SICA's behalf fidelity and surety bonds or undertakings and other documents of a similar character issued by SICA in the course of its business, and to bind SICA thereby as fully as if such instruments had been duly executed by SICA's regularly elected officers at its principal office, in amounts or penalties not exceeding the sum of: **Twenty Thousand Dollars (\$20,000.00)**

Signed this 30th day of September, 2021

SELECTIVE INSURANCE COMPANY OF AMERICA

By:

*Brian C. Sarisky*  
Brian C. Sarisky

Its SVP, Strategic Business Units, Commercial Lines



CERTIFIED COPY

STATE OF NEW JERSEY :

:ss. Branchville

COUNTY OF SUSSEX :

On this 30th day of September 2021 before me, the undersigned officer, personally appeared **Brian C. Sarisky**, who acknowledged himself to be the Sr. Vice President of SICA, and that he, as such Sr. Vice President, being authorized to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation as Sr. Vice President and that the same was his free act and deed and the free act and deed of SICA.

Charlene Kimble  
NOTARY PUBLIC  
STATE OF NEW JERSEY  
ID # N/A  
MY COMMISSION EXPIRES 6/2/26

*Charlene Kimble*  
Notary Public



The power of attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of SICA at a meeting duly called and held on the 6th of February 1987, to wit:

"RESOLVED, the Board of Directors of Selective Insurance Company of America authorizes and approves the use of a facsimile corporate seal, facsimile signatures of corporate officers and notarial acknowledgements thereof on powers of attorney for the execution of bonds, recognizances, contracts of indemnity and other writing obligatory in the nature of a bond, recognizance or conditional undertaking."

### CERTIFICATION

I do hereby certify as SICA's Corporate Secretary that the foregoing extract of SICA's By-Laws and Resolution is in full force and effect and this Power of Attorney issued pursuant to and in accordance with the By-Laws is valid.

Signed this 30th day of September, 2021

*Michael H. Lanza*  
Michael H. Lanza, SICA Corporate Secretary



Important Notice: If the bond number embedded within the Notary Seal does not match the number in the upper right-hand corner of this Power of Attorney, contact us at 973-948-3000. B91 (4-14)





*At the Heart of Community*

**PUBLIC WORKS DEPARTMENT**

505 Telser Road  
Lake Zurich, Illinois 60047

(847) 540-1696  
Fax (847) 726-2182  
LakeZurich.org

**2022-2024 Janitorial Services Contract**

***Addendum 1***

The following changes, additions, and/or clarifications to the bid document shall be incorporated in said documents and shall be allowed for in the unit prices bid by the contractor such that the unit prices indicated in the Bid Form shall represent the conditions set forth in the Contract Documents and this addendum. The bidder shall acknowledge the receipt of this addendum.

The Bidder shall also return, via e-mail to [mike.cernock@lakezurich.org](mailto:mike.cernock@lakezurich.org), the acknowledgment sheet located on page 2 of this addendum.

**Changes, Additions and/or Clarifications**

**Appendix "H"**

**Facility: Police Department: 200 Mohawk Trail, Lake Zurich, IL 60047**

**Shall now read;**

**Task Group F**

Booking, Detention and Jail Cell Area (Bi-Weekly) (Monday & Thursday)

**2022-2024 Janitorial Services Contract**

**ADDENDUM 1**

**Acknowledgement of Receipt of Addendum 1**

Name: JOEL SANCHEZ

Company: Eco Clean Maintenance

Address: 515 W Wrightwood AVE

City/State: ELMHURST IL 60126

Please e-mail or fax completed form to: [mike.cernock@lakezurich.org](mailto:mike.cernock@lakezurich.org)  
Fax (847) 726-2182

## **2022-2024 Janitorial Services**

<u>Company Name</u>	<u>Bid</u>	<u>Bid Bond</u>
Alpha Building Maintenance, Inc	\$7,883.00	
Bravo Services, Inc	\$8,670.00	
Total Facility Maintenance, Inc	\$12,040.00	
ECO Clean Maintenance, Inc	\$6,936.00	
DK Contractors		
EMCEE Building Services, LLC	\$8,583.00	
Multisystem Management Company	\$19,292.00	

Alpha Building Maintenance, Inc	\$7,883.00
Bravo Services, Inc	\$8,670.00
Total Facility Maintenance, Inc	\$12,040.00
ECO Clean Maintenance, Inc	\$6,936.00
EMCEE Building Services, LLC	\$8,583.00
Multisystem Management Company	\$19,292.00

<u>Location</u>	<u>Monthly</u>	<u>Annual</u>
Village Hall	\$1,069.00	\$12,828.00
Police Department	\$1,895.00	\$22,740.00
Community Services	\$779.00	\$9,348.00
Paulus Park Barn	\$941.00	\$11,292.00
Paulus Park Chalet	\$389.00	\$4,668.00
Paulus Park Concession Restrooms	\$702.00	\$8,424.00
Breezewald Park Restrooms	\$259.00	\$3,108.00
Buffalo Creek Park Building "A"	\$669.00	\$8,028.00
Buffalo Creek Park Building "B"	\$233.00	\$2,796.00
TOTAL	\$6,936.00	\$83,232.00



*At the Heart of Community*

OFFICE OF THE VILLAGE MANAGER

70 East Main Street  
Lake Zurich, Illinois 60047

(847) 438-5141  
LakeZurich.org

AGENDA ITEM

6D

MEMORANDUM

Date: October 25, 2021  
To: Ray Keller, Village Manager *PK*  
From: Michael Duebner, Management Services Director  
Subject: **Liquor License Issuance and Revocation**

**Issue:** Forest Nails and Spa located at 1237 S Rand Road has requested a Class-H Liquor License for the complimentary dispensing of beer, wine, sparkling alcoholic beverages. La Mula Mexican Grill formerly located at 927 S Rand Rd has permanently closed and revocation of their Class-A restaurant and Class-V gaming terminal license is appropriate.

**Analysis:** Forest Nails and Spas completed the requisite documentation and successfully passed the background check for issuance of a Class-H Liquor License. This is the first request in some time for a Class-H license for the complimentary dispensing of limited alcoholic beverages that is ancillary to the operations of the business.

La Mula Mexican Grill was approved by the Village Board of Trustess in August of 2020 for a Class-A and Class-V license. During their operation, no gaming terminals were installed. The establishment closed for business in October and both licenses shall be revoked.

**Recommendation:** Consideration and approval of the proposed ordinance.

w/Attachments: Ordinance issuing a Class-H license, revoking a Class-A and Class-V license

VILLAGE OF LAKE ZURICH  
ORDINANCE NO. 2021-11-\_\_\_\_



**ORDINANCE AMENDING TITLE 3 OF CHAPTER 3 OF THE VILLAGE OF LAKE ZURICH MUNICIPAL CODE TO INCREASE AUTHORIZED CLASS H LIQUOR LICENSE FOR FOREST NAILS AND SPA AT 1237 SOUTH RAND ROAD AND REVOKING CLASS A AND CLASS V LIQUOR LICENSES FOR LA MULA MEXICAN GRILL AT 927 SOUTH RAND ROAD**

**NOW, THEREFORE, BE IT ORDAINED** by the Mayor and the Board of Trustees of the Village of Lake Zurich, Lake County, Illinois, as follows:

**SECTION 1:** The number of **Class H - Complimentary Dispensing of Beer & Wine** liquor licenses authorized by section 3-3b-14 of Chapter 3 of Title 3 of the Village Code of the Village of Lake Zurich is hereby **increased** by one for **Forest Nails and Spa** located at **1237 South Rand Road** in accordance with the Village Code of the Village of Lake Zurich. Issuance of the license is subject to the approval and action of the Local Liquor Commissioner of the Village of Lake Zurich.

**SECTION 2:** The number of **Class A – Full Service Restaurant** and **Class V – Video Gaming** liquor licenses authorized by section 3-3b-14 of Chapter 3 of Title 3 of the Village Code of the Village of Lake Zurich is hereby **decreased** by one each for **La Mula Mexican Grill**, located at **927 South Rand Road** in accordance with the Village Code of the Village of Lake Zurich. Issuance of the license is subject to the approval and action of the Local Liquor Commissioner of the Village of Lake Zurich.

**SECTION 3:** That Section 3-3B-14 of Chapter 3 of Title 3 of the Lake Zurich Municipal Code entitled "NUMBER OF LICENSES" be and is hereby further amended with the corresponding number of licenses in each class, shown with bold letters with underscoring below:

<b><u>Class</u></b>	<b><u>Description</u></b>	<b><u>Maximum Number Issued</u></b>
A	Restaurant	<b><u>22 21</u></b>
A-1	Outdoor Add-On	12
B	Retail Sales	19
B-1	Annual Tasting Add-On	5

314495\_1



B-2	Single Event Add-On	0
C	Retail Sales Convenience	3
E	Club	2
F	Single Private Event	0
G	Single Public Event	1
G-1	Multiple Public Event	1
H	Complimentary Dispensing of Beer & Wine	<del>0</del> 1
K	Gift Boutique	0
M	BYOB Corkage	0
N	Craft Distillery	1
O	Off-Site Catering	1
P	Craft Brewery	1
R	Outdoor Concession / Beer Garden	1
V	Video Gaming	<del>18</del> 17
W	Boutique Wine & Sparking Beverage	1
Y	Brew Pub	0

**SECTION 4:** If any section, paragraph, clause or provision of this Ordinance shall be invalid, the invalidity thereof shall not affect any of the other provisions of this Ordinance.

**SECTION 5:** That if any provision of this ordinance or application thereof to any entity or person or circumstance is declared invalid or held to be unlawful, such declaration or holding shall not affect the validity of any other portion or provision of this Ordinance and such declaration or holding shall be severable from the remainder hereof.

**SECTION 6:** This Ordinance shall be in full force and effect immediately upon its passage and approval as provided by law.

ADOPTED this \_\_\_\_\_ day of November, 2021 by the following vote:

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Absent: \_\_\_\_\_

APPROVED by the Mayor on this \_\_\_\_\_ day of November, 2021.

\_\_\_\_\_  
Tom Poynton, MAYOR

\_\_\_\_\_  
Kathleen Johnson, VILLAGE CLERK

## REIMER DOBROVOLNY & LABARDI PC

A PUBLIC SAFETY LAW FIRM

\* RICHARD J. REIMER  
JAMES L. DOBROVOLNY  
BRIAN J. LABARDI  
\*\* JOHN A. GAW  
BRYAN L. STRAND  
CHRIS W. POTTHOFF, JR.

15 SPINNING WHEEL ROAD, SUITE 310, HINSDALE, ILLINOIS 60521  
(630) 654-9547 (630) 654-9676 FAX  
WWW.RDLABORLAWPC.COM

306 W. GREEN STREET  
URBANA, ILLINOIS, 61801  
217-344-2376

840 S. SPRING STREET, SUITE D  
SPRINGFIELD, ILLINOIS 62704

\* SHAREHOLDER  
\*\* ALSO LICENSED IN INDIANA

July 30, 2021

Honorable Tom Poynton, Mayor  
Village of Lake Zurich  
70 E. Main St.  
Lake Zurich, Illinois 60047

***By Priority Mail Signature Confirmation***

Re: Lake Zurich Firefighters' Pension Fund-Annual Tax Levy Requirements

Mayor Poynton:

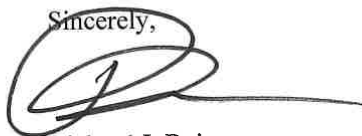
Please be advised that the undersigned is legal counsel for the Lake Zurich Firefighters' Pension Fund. At the July 21, 2021 Pension Board meeting, the Pension Board Trustees discussed the annual tax levy/municipal contribution requirements for the Pension Fund for the upcoming tax year. As you are aware, the Pension Board either relies on an actuarial valuation performed by the Illinois Department of Insurance or an independent actuary employed by the Pension Board.

In this case, the Pension Board relied on the Actuarial Valuation of Todd Schroeder, an independent actuary retained by the Pension Board, for purposes of determining the "recommended levy". Mr. Schroeder's recommended levy for the upcoming tax year, in order to satisfy the annual requirements of the Lake Zurich Firefighters' Pension Fund is \$2,774,272. A copy of Mr. Schroeder's Report is attached for your review.

Accordingly, pursuant to §5/4-118 of the Pension Code, the Lake Zurich Fire Firefighters' Pension Board is requesting that the Village levy or contribute that amount for the upcoming tax year in order to satisfy the annual requirements of the Firefighters' Pension Fund. The Board understands that the Village has retained its own actuary.

Thank you for your anticipated cooperation and assistance in this matter.  
Please do not hesitate to contact the undersigned should you have any questions  
concerning this matter.

Sincerely,

A handwritten signature in black ink, appearing to be 'RJR', with a long horizontal line extending to the right.

Richard J. Reimer

RJR/as  
Enclosure

cc: Chief David Pilgard, President  
Lake Zurich Firefighters' Pension Board



# REIMER DOBROVOLNY & LABARDI PC

A PUBLIC SAFETY LAW FIRM

\* RICHARD J. REIMER  
JAMES L. DOBROVOLNY  
BRIAN J. LABARDI  
VINCENT C. MANCINI  
\*\* JOHN A. GAW  
BRYAN L. STRAND  
CHRIS W. POTTHOFF, JR.  
\* SHAREHOLDER  
\*\* ALSO LICENSED IN INDIANA

15 SPINNING WHEEL ROAD, SUITE 310, HINSDALE, ILLINOIS 60521  
(630) 654-9547 (630) 654-9676 FAX  
WWW.RDLABORLAWPC.COM

306 W. GREEN STREET  
URBANA, ILLINOIS 61801  
217-344-2376

840 S. SPRING STREET, SUITE D  
SPRINGFIELD, ILLINOIS 62704

October 22, 2021

Honorable Tom Poynton, Mayor  
Village of Lake Zurich  
70 E. Main St.  
Lake Zurich, Illinois 60047

***By Priority Mail Signature Confirmation***

Re: Lake Zurich Firefighters' Pension Fund – Municipal Compliance Report

Mayor Poynton:

As you are aware, the undersigned is legal counsel for the Lake Zurich Firefighters' Pension Fund. As required by Public Act 95-950, enclosed please find the Lake Zurich Firefighters' Pension Board's "Municipal Compliance Report". A copy of the Board's current Investment Policy is available upon request.

Should you have any questions or concerns in this matter, please do not hesitate to contact the undersigned.

Sincerely,



Richard J. Reimer

RJR/as  
Enclosure

cc: Chief David Pilgard, President  
Lake Zurich Firefighters' Pension Board

THE VILLAGE OF LAKE ZURICH, ILLINOIS  
FIREFIGHTERS' PENSION FUND  
PUBLIC ACT 95-0950 - MUNICIPAL COMPLIANCE  
REPORT  
  
FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2020



Lauterbach &amp; Amen, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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October 19, 2021

Members of the Pension Board of Trustees  
Lake Zurich Firefighters' Pension Fund  
Lake Zurich, Illinois

Enclosed please find a copy of your Municipal Compliance Report for the Lake Zurich Firefighters' Pension Fund for the fiscal year ended December 31, 2020. We have prepared the report with the most recent information available at our office. Should you have more current information, or notice any inaccuracies, we are prepared to make any necessary revisions and return them to you.

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

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

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

Respectfully submitted,

A handwritten signature in black ink that reads "Lauterbach &amp; Amen, LLP".

LAUTERBACH & AMEN, LLP

**THE VILLAGE OF LAKE ZURICH, ILLINOIS  
FIREFIGHTERS' PENSION FUND**

**Public Act 95-950 - Municipal Compliance Report  
For the Fiscal Year Ending December 31, 2020**

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

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

	Current Fiscal Year	Preceding Fiscal Year
Total Cash and Investments (including accrued interest)	\$48,452,909	\$41,528,430
Total Net Position	\$48,430,770	\$41,507,749

- 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	\$525,200
Estimated Receipts - All Other Sources	
Investment Earnings	\$3,391,700
Municipal Contributions	\$2,774,272

- 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	\$2,254,873
Private Actuary - Lauterbach & Amen, LLP	
Recommended Municipal Contribution	\$2,774,272
Statutory Municipal Contribution	\$1,872,833

**THE VILLAGE OF LAKE ZURICH, ILLINOIS  
FIREFIGHTERS' PENSION FUND**

**Public Act 95-950 - Municipal Compliance Report  
For the Fiscal Year Ending December 31, 2020**

- 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 - Continued:

Private Actuary - Foster & Foster

Recommended Municipal Contribution	<u>\$2,485,816</u>
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Statutory Municipal Contribution	<u>\$2,096,654</u>
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- 4) The total net income received from investment of assets along with the assumed investment return and actual investment return received by the fund during its most recently completed fiscal year compared to the total net income, assumed investment return, and actual investment return received during the preceding fiscal year:

	<u>Current Fiscal Year</u>	<u>Preceding Fiscal Year</u>
Net Income Received from Investment of Assets	<u>\$6,076,966</u>	<u>\$6,547,762</u>
Assumed Investment Return		
Illinois Department of Insurance	<u>6.50%</u>	<u>6.50%</u>
Private Actuary - Lauterbach & Amen, LLP	<u>7.00%</u>	<u>7.00%</u>
Private Actuary - Foster & Foster	<u>6.75%</u>	<u>6.75%</u>
Actual Investment Return	<u>13.51%</u>	<u>17.29%</u>

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

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

**THE VILLAGE OF LAKE ZURICH, ILLINOIS  
FIREFIGHTERS' PENSION FUND**

**Public Act 95-950 - Municipal Compliance Report  
For the Fiscal Year Ending December 31, 2020**

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

Number of Active Members	<u>51</u>
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- 7) The total amount that was disbursed in benefits during the fiscal year, including the number of and total amount disbursed to (i) annuitants in receipt of a regular retirement pension, (ii) recipients being paid a disability pension, and (iii) survivors and children in receipt of benefits:

	<u>Number of</u>	<u>Total Amount Disbursed</u>
(i) Regular Retirement Pension	<u>18</u>	<u>\$1,290,571</u>
(ii) Disability Pension	<u>10</u>	<u>\$565,851</u>
(iii) Survivors and Child Benefits	<u>6</u>	<u>\$46,552</u>
Totals	<u>34</u>	<u>\$1,902,974</u>

- 8) The funded ratio of the fund:

	<u>Current Fiscal Year</u>	<u>Preceding Fiscal Year</u>
Illinois Department of Insurance	<u>66.37%</u>	<u>63.15%</u>
Private Actuary - Lauterbach & Amen, LLP	<u>68.01%</u>	<u>63.06%</u>
Private Actuary - Foster & Foster	<u>66.49%</u>	<u>63.63%</u>

**THE VILLAGE OF LAKE ZURICH, ILLINOIS  
FIREFIGHTERS' PENSION FUND**

**Public Act 95-950 - Municipal Compliance Report  
For the Fiscal Year Ending December 31, 2020**

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

Unfunded Liability:

Illinois Department of Insurance	<u>\$22,488,307</u>
Private Actuary - Lauterbach & Amen, LLP	<u>\$20,989,917</u>
Private Actuary - Foster & Foster	<u>\$22,441,654</u>

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

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

Investment Policy - See Attached.

Please see Notes Page attached.

CERTIFICATION OF MUNICIPAL FIREFIGHTERS'  
PENSION FUND COMPLIANCE REPORT

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

Adopted this 20<sup>th</sup> day of October, 2021

President  Date October 20, 2021

Secretary  Date Oct 20<sup>th</sup>, 2021

**THE VILLAGE OF LAKE ZURICH, ILLINOIS  
FIREFIGHTERS' PENSION FUND**

**Public Act 95-950 - Municipal Compliance Report  
For the Fiscal Year Ending December 31, 2020**

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**INDEX OF ASSUMPTIONS**

- 1) Total Cash and Investments - as Reported at Market Value in the Audited Financial Statements for the Years Ended December 31, 2020 and 2019.

Total Net Position - as Reported in the Audited Financial Statements for the Years Ended December 31, 2020 and 2019.

- 2) Estimated Receipts - Employee Contributions as Reported in the Audited Financial Statements for the Year Ended December 31, 2020 plus 3.25% Increase (Actuarial Salary Increase Assumption) Rounded to the Nearest \$100.

Estimated Receipts - All Other Sources:

Investment Earnings - Cash and Investments as Reported in the Audited Financial Statements for the Year Ended December 31, 2020, times 7% (Actuarial Investment Return Assumption) Rounded to the Nearest \$100.

Recommended Amount of Tax Levy as Reported by Lauterbach & Amen, LLP in the December 31, 2020 Actuarial Valuation.

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

Illinois Department of Insurance - Suggested Amount of Tax Levy as Reported in the December 31, 2020 Actuarial Valuation.

Private Actuary - Lauterbach & Amen, LLP

Recommended Amount of Tax Levy as Reported by Lauterbach & Amen, LLP in the December 31, 2020 Actuarial Valuation.

Statutorily Required Amount of Tax Levy as Reported by Lauterbach & Amen, LLP in the December 31, 2020 Actuarial Valuation.

Private Actuary - Foster & Foster

Recommended Amount of Tax Levy as Reported by Foster & Foster in the December 31, 2020 Actuarial Valuation.

Statutorily Required Amount of Tax Levy as Reported by Foster & Foster in the December 31, 2020 Actuarial Valuation.



**THE VILLAGE OF LAKE ZURICH, ILLINOIS  
FIREFIGHTERS' PENSION FUND**

**Public Act 95-950 - Municipal Compliance Report  
For the Fiscal Year Ending December 31, 2020**

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INDEX OF ASSUMPTIONS - Continued

- 4) Net Income Received from Investment of Assets - Investment Income (Loss) net of Investment Expense, as Reported in the Audited Financial Statements for the Years Ended December 31, 2020 and 2019.

Assumed Investment Return:

Illinois Department of Insurance - Current and Preceding Fiscal Year Interest Rate Assumption as Reported in the December 31, 2020 and 2019 Actuarial Valuations.

Private Actuary - Lauterbach & Amen, LLP

Current and Preceding Fiscal Year Interest Rate Assumption as Reported in the Lauterbach & Amen, LLP, December 31, 2020 and 2019 Actuarial Valuations.

Private Actuary - Foster & Foster

Current and Preceding Fiscal Year Interest Rate Assumption as Reported in the Foster & Foster, December 31, 2020 and 1900 Actuarial Valuations.

Actual Investment Return - Net Income Received from Investments as Reported Above as a Percentage of the Average of the Beginning balance of the Cash and Investments and the Ending balance of the Cash and Investments, excluding the fiscal year net investment income, as Reported in the Audited Financial Statements

- 5) Illinois Department of Insurance - No amount available at the time of this report.

No Private Actuarial Valuation amount available from Lauterbach & Amen, LLP at the time of this report.

No Private Actuarial Valuation amount available from Foster & Foster at the time of this report.

- 6) Number of Active Members - Illinois Department of Insurance Annual Statement for December 31, 2020 - Schedule P.

**THE VILLAGE OF LAKE ZURICH, ILLINOIS  
FIREFIGHTERS' PENSION FUND**

**Public Act 95-950 - Municipal Compliance Report  
For the Fiscal Year Ending December 31, 2020**

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INDEX OF ASSUMPTIONS - Continued

- 7) (i) Regular Retirement Pension - Illinois Department of Insurance Annual Statement for December 31, 2020 - Schedule P for Number of Participants and Expense page 1 for Total Amount Disbursed.

(ii) Disability Pension - Same as above.

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

- 8) The funded ratio of the fund:

Illinois Department of Insurance - Current and Preceding Fiscal Year Actuarial Value of Assets as a percentage of Accrued Liability as Reported in the December 31, 2020 and 2019 Actuarial Valuations.

Private Actuary - Lauterbach & Amen, LLP

Current and Preceding Fiscal Year Actuarial Value of Assets as a percentage of Accrued Liability as Reported in the Lauterbach & Amen, LLP, December 31, 2020 and 2019 Actuarial Valuations.

Private Actuary - Foster & Foster

Current and Preceding Fiscal Year Actuarial Value of Assets as a percentage of Accrued Liability as Reported in the Foster & Foster, December 31, 2020 and 2019 Actuarial Valuations.

- 9) Unfunded Liability:

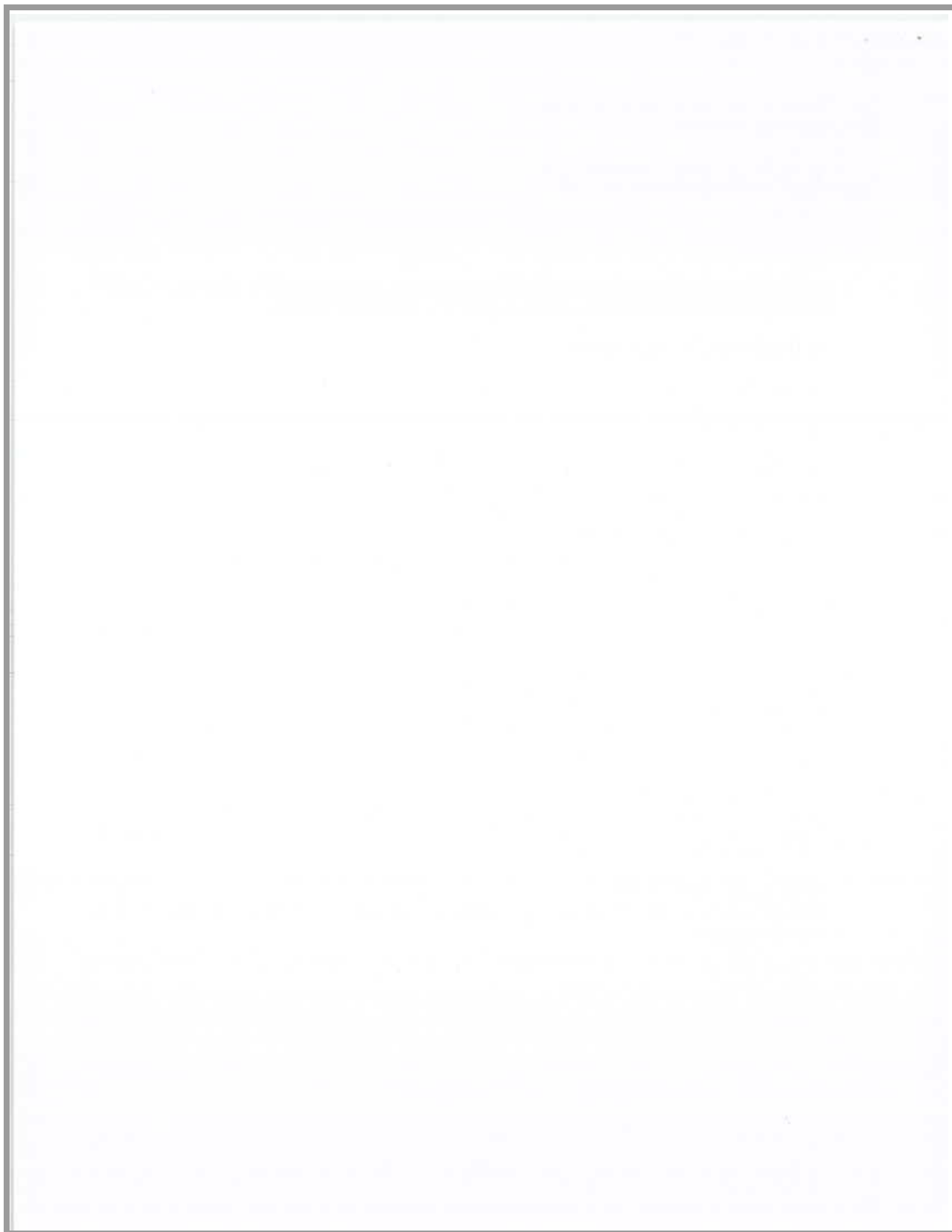
Illinois Department of Insurance - Deferred Asset (Unfunded Accrued Liability) as Reported in the December 31, 2020 Actuarial Valuation.

Private Actuary - Lauterbach & Amen, LLP

Deferred Asset (Unfunded Accrued Liability) as Reported by Lauterbach & Amen, LLP in the December 31, 2020 Actuarial Valuation.

Private Actuary - Foster & Foster

Deferred Asset (Unfunded Accrued Liability) as Reported by Foster & Foster in the December 31, 2020 Actuarial Valuation.



**LAKE ZURICH FIREFIGHTERS PENSION FUND**  
**Actuarial Valuation Report**

**Showing Assets and Liabilities of the Fund in  
 Accordance with Actuarial Reserve Requirements  
 as of January 1, 2021**

**Summary**

Accrued Liability	\$66,865,572
Actuarial Value of Assets	\$44,377,265
Unfunded Accrued Liability	\$22,488,307

Funded Ratio 66%

**Liabilities**

Reserves for Annuities and Benefits in Force

	Head Count:	Present Value:	
Retirement Annuities	18	25,648,375	
Disability Annuities	10	10,330,548	
Surviving Spouse Annuities	1	545,227	
Minor Dependent Annuities	5	3,619	
Deferred Retirement Annuities	1	135,268	
Handicapped Dependent Annuities	0	0	
Dependent Parent Annuities	0	0	
Terminated Liabilities	1	3,141	
Total:	36	\$36,666,178	

Accrued Liabilities for Active Members	51	\$30,199,394
Total Accrued Liabilities		\$66,865,572
Total Normal Cost for Active Members		\$1,599,505
Total Normal Cost as a Percentage of Payroll		30%

Total Annual Payroll \$5,338,995

Amortization of Unfunded Liabilities:

Total Accrued Liability	\$66,865,572
90% Funded Ratio Target	\$60,179,015
Actuarial Value of Assets	\$44,377,265
Liabilities Subject to Amortization	\$15,801,750
Amortization Period	20 years
Amortization Payment, Beginning of Year	\$1,022,549

This report is provided to the Board and Municipality as part of the Public Pension Division advisory services under Section 1A-106 of the Illinois Pension Code. This report should not be relied upon for purposes other than determining the current tax levy required under the Illinois Pension Code. The assumptions have been set based on expectations for all Article 4 funds in the State of Illinois. The actuarial methods are prescribed by the Illinois Pension Code and do not necessarily represent the approach recommended by either the actuary or the Department of Insurance. This report was prepared under the direct supervision of the undersigned:

Brad Lee Armstrong (Enrolled Actuary #17-5614)  
 Lance Weiss (Enrolled Actuary #17-2468)  
 GRS

Deputy Director  
 Public Pension Division  
 Illinois Department of Insurance

## LAKE ZURICH FIREFIGHTERS PENSION FUND

### Actuarial Valuation Report

#### Assets

##### Actuarial Value of Assets

##### Current Year Gain/(Loss):

Market value of assets as of December 31, 2019	\$41,507,749
Benefit payments during fiscal year 2020	(1,902,974)
Administrative expense during fiscal year 2020	(60,646)
Total contributions during fiscal year 2020	2,809,346
Expected return during fiscal year 2020	2,725,490
Expected market value of assets as of December 31, 2020	<u>\$45,078,965</u>
Actual market value of assets as of December 31, 2020	\$48,430,770
Investment gain/(loss) during the fiscal year	\$3,351,805

##### Development of Actuarial Value of Assets (market value less unrecognized amounts):

Market value of assets as of December 31, 2020	\$48,430,770
Unrecognized gain/(loss) from fiscal 2020	2,681,444
Unrecognized gain/(loss) from fiscal 2019	2,580,338
Unrecognized gain/(loss) from fiscal 2018	(1,532,793)
Unrecognized gain/(loss) from fiscal 2017	<u>324,516</u>
Actuarial value of assets as of December 31, 2020	\$44,377,265

#### Actuarially Determined Employer Contributions

Actuarially determined amount to provide the employer normal cost based on the annual payroll of active participants as of January 1, 2021. \$1,094,703

Amount necessary to amortize the unfunded accrued liability as determined by the State of Illinois Department of Insurance over the remaining 20 years as prescribed by Section 4-118 of the Illinois Pension Code. \$1,022,549

Interest to the end of the fiscal year. \$137,621

Total suggested amount of employer contributions to arrive at the annual requirements of the fund as prescribed by Section 4-118 of the Illinois Pension Code. \* \$2,254,873

\*The above figure is the suggested amount which should be obtained by the fund from the municipality exclusive of any other items of income, such as interest on investments, contributions from participants, etc. These items have already been taken into consideration in arriving at this amount.

## LAKE ZURICH FIREFIGHTERS PENSION FUND

### Actuarial Valuation Report

#### Actuarial Information

The following methods have been prescribed in accordance with Section 4-118 of the Illinois Pension Code.

Funding method	Projected Unit Credit
Amortization method	Normal cost, plus an additional amount (determined as a level percentage of payroll) to bring the plan's funded ratio to 90% by the end of fiscal year 2040.
Asset valuation method	Investment gains and losses are recognized over a 5-year period.

#### Actuarial Assumptions

Interest rate	6.50%
Interest rate, prior fiscal year	6.50%
Healthy mortality rates - Male	RP-2014 Healthy Annuitant with Blue Collar Adjustment, males
Healthy mortality rates - Female	RP-2014 Healthy Annuitant with Blue Collar Adjustment, females
Disability mortality rates - Male	115% of RP-2014 Healthy Annuitant with Blue Collar Adjustment, males
Disability mortality rates - Female	115% of RP-2014 Healthy Annuitant with Blue Collar Adjustment, females
Decrements other than mortality	Experience tables
Rate of service-related deaths	20%
Rate of service-related disabilities	80%
Salary increases	Service-related table with rates grading from 12.50% to 3.50% at 31 years of service
Payroll growth	3.50%
Tier 2 cost-of-living adjustment	1.25%
Marital assumptions for active members	80% of members are assumed to be married; male spouses are assumed to be 3 years older than female spouses.

The actuarial assumptions used for determining the above amounts are based on experience for all Article 4 funds for the State of Illinois in aggregate. The Department of Insurance has approved the above actuarial assumptions. Contact the Department of Insurance for complete experience tables.

#### Data and Fund Information

The above valuation uses personnel data as reported to the Department of Insurance in the Schedule P. Specifically, the following data items have been determined as of the date of the Actuarial Valuation Report: attained age, annual salary or pension, completed years of service of each individual participant.

The fund specific information used in the production of this document was provided to the Department of Insurance by your pension fund board of trustees through the fund's annual statement filing.

Additional critical information regarding actuarial assumptions and methods, and important actuarial disclosures are provided in the Actuarial Valuation Report Disclosures Document located on the following Illinois DOI Website (<https://insurance.illinois.gov/Applications/Pension/FOIAReporting/FOIAPortal.aspx>)

Actuarial Funding Report



LAKE ZURICH  
FIREFIGHTERS'  
PENSION FUND

Actuarial Valuation  
as of January 1, 2021

For the Contribution Year January 1, 2021 to December 31, 2021

***LAUTERBACH & AMEN, LLP***

## Actuarial Valuation – Funding Recommendation

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### Lauterbach & Amen, LLP

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CERTIFIED PUBLIC ACCOUNTANTS

## LAKE ZURICH FIREFIGHTERS' PENSION FUND

**Contribution Year Ending: December 31, 2021**

Actuarial Valuation Date: January 1, 2021

Utilizing Data as of December 31, 2020

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**Submitted by:**

Lauterbach & Amen, LLP  
668 N. River Road  
Naperville, IL 60563  
Phone: 630.393.1483  
[www.lauterbachamen.com](http://www.lauterbachamen.com)

**Contact:**

Todd A. Schroeder  
Director  
July 19, 2021

***LAUTERBACH & AMEN, LLP***





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## ACTUARIAL CERTIFICATION

This report documents the results of the Actuarial Valuation for the Lake Zurich Firefighters' Pension Fund. The information was prepared for use by the Lake Zurich Firefighters' Pension Fund and the Village of Lake Zurich, Illinois for determining the Recommended Contribution, under the selected Funding Policy and Statutory Minimum guidelines, for the Contribution Year January 1, 2021 to December 31, 2021. It is not intended or suitable for other purposes. Determinations for purposes other than the Employer's Actuarial Recommended Contribution may be significantly different from the results herein.

The results in this report are based on the census data and financial information submitted by the Lake Zurich Firefighters' Pension Fund, and may include results from the prior Actuary. We did not prepare the Actuarial Valuations for the years prior to May 1, 2014. Those valuations were prepared by the prior Actuary whose reports have been furnished to us, and our disclosures are based on those reports. An audit of the prior Actuary's results was not performed, but high-level reviews were completed for general reasonableness, as appropriate, based on the purpose of this valuation. The accuracy of the results is dependent on the precision and completeness of the underlying information.

In addition, the results of the Actuarial Valuation involve certain risks and uncertainty as they are based on future assumptions, market conditions, and events that may never materialize as assumed. For this reason, certain assumptions and future results may be materially different than those presented in this report. See the *Management Summary* section of this report for a more detailed discussion of the Defined Benefit Plan Risks, as well as the limitations of this Actuarial Valuation on assessing those risks. We are not aware of any known events subsequent to the Actuarial Valuation Date, which are not reflected in this report but should be valued, that may materially impact the results.

The valuation results summarized in this report involve actuarial calculations that require assumptions about future events. The Lake Zurich Firefighters' Pension Fund selected certain assumptions, while others were the result of guidance and/or judgment from the Plan's Actuary or Advisors. We believe that the assumptions used in this valuation are reasonable and appropriate for the purposes for which they have been used. The selected assumptions represent our best estimate of the anticipated long-term experience of the Plan, and meet the guidelines set forth in the Actuarial Standards of Practice.



Lake Zurich Firefighters' Pension Fund  
Page 1

**Lauterbach & Amen, LLP**

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To the best of our knowledge, all calculations are in accordance with the applicable funding requirements, and the procedures followed and presentation of results conform to generally accepted actuarial principles and practices as prescribed by the Actuarial Standards Board. The undersigned consultants of Lauterbach & Amen, LLP, with actuarial credentials, meet the Qualification Standards of the American Academy of Actuaries to render this Actuarial Certification. There is no relationship between the Lake Zurich Firefighters' Pension Fund and Lauterbach & Amen, LLP that impairs our objectivity.

Respectfully Submitted,

LAUTERBACH &amp; AMEN, LLP

A handwritten signature in cursive script, reading "Todd A. Schroeder".

Todd A. Schroeder, ASA, FCA, EA, MAAA

A handwritten signature in cursive script, reading "Robert L. Rietz, Jr.".

Robert L. Rietz, Jr., FCA, EA, MAAA

Lake Zurich Firefighters' Pension Fund  
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## MANAGEMENT SUMMARY

Recommended Contribution  
Funded Status  
Management Summary – Comments and Analysis  
Actuarial Recommended Contribution – Reconciliation

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## *MANAGEMENT SUMMARY*

### RECOMMENDED CONTRIBUTION

	Prior Valuation	Current Valuation
Recommended Contribution	\$2,852,427	\$2,774,272
Expected Payroll	\$5,410,780	\$5,425,754
Recommended Contribution as a Percent of Expected Payroll	52.72%	51.13%

*The Recommended  
Contribution has  
Decreased by  
\$78,155 from the  
Prior Valuation.*

### FUNDED STATUS

	Prior Valuation	Current Valuation
Normal Cost	\$1,295,068	\$1,324,445
Market Value of Assets	\$41,507,749	\$48,430,770
Actuarial Value of Assets	\$39,869,242	\$44,632,995
Actuarial Accrued Liability	\$63,229,216	\$65,622,912
Unfunded Actuarial Accrued Liability/Surplus	\$23,359,974	\$20,989,917
Percent Funded		
Actuarial Value of Assets	63.06%	68.01%
Market Value of Assets	65.65%	73.80%

*The Percent  
Funded has  
Increased by 4.95%  
on an Actuarial  
Value of Assets  
Basis.*



Lake Zurich Firefighters' Pension Fund  
Page 4

## **MANAGEMENT SUMMARY**

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### **MANAGEMENT SUMMARY – COMMENTS AND ANALYSIS**

#### Contribution Results

The Recommended Contribution is based on the selected Funding Policy and methods that are outlined in the *Actuarial Funding Policies* section of this report.

The Illinois State Statutes for Pension Funds contain parameters that are used to determine the Statutory Minimum Contribution to a public Pension Fund. Those parameters and the resulting Statutory Minimum Contribution are found in the *Illinois Statutory Minimum Contribution* section of this report.

“Contribution Risk” is defined by the Actuarial Standards of Practice as the potential for actual future contributions to deviate from expected future contributions. For example, when actual contributions are not made in accordance to the Plan’s Funding Policy, or when future experience deviates materially from assumed. While it is essential for the Actuary and Plan Sponsor to collaborate on implementing a sound and financially feasible Funding Policy, it is important to note that the Actuary is not required, and is not in the position to, evaluate the ability or willingness of the Plan Sponsor to make the Recommended Contribution under the selected Funding Policy.

As a result, while Contribution Risk may be a significant source of risk for the Plan, this Actuarial Valuation makes no attempt to assess the impact of future contributions falling short of those recommended under the selected Funding Policy. Notwithstanding the above, see the *Actuarial Recommended Contribution – Reconciliation* section of this report for the impact on the current Recommended Contribution of any contribution shortfalls or excesses from the prior year.

#### Defined Benefit Plan Risks

##### *Asset Growth:*

Pension funding involves preparing Fund assets to pay for benefits when Members retire. During their working careers, assets grow with contributions and investment earnings; and then, the Pension Fund distributes assets in retirement. Based on the Plan’s current mix of Members and Funded Status, the Plan should experience positive asset growth, on average, if the Recommended Contributions are made and expected investment earnings come in. In the current year, the Fund asset growth was positive by approximately \$6.9 million.

Asset growth is important in the long-term. Long-term cash flow out of the Pension Fund is primarily benefit payments, and expenses are a smaller portion. The Plan should monitor the impact of expected benefit payments on future asset growth. We assess and project all future benefit payments as part of the determination of liability. The assessment is made on all current Members of the Fund, both active and inactive. For active Members, the assessment includes the probability that Members terminate or retire and begin receiving benefits. In the next 5 years, benefit payments are anticipated to increase 95-100%, or approximately \$1.8 million. In the next 10 years, the expected increase in benefit payments is 165-170%, or approximately \$3.2 million. The estimated increase in benefit payments is being compared



## *MANAGEMENT SUMMARY*

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against the benefits paid to inactive Members during the fiscal year, excluding any refunds of Member Contributions.

Furthermore, plans with a large number of inactive Members have an increased “Longevity Risk”. Longevity Risk is the possibility that inactive Members may live longer than projected by the Plan’s mortality assumption. As shown in the previous paragraph, benefit payments are expected to increase over the next 5-year and 10-year horizons. The projected increases assume that current inactive Members pass away according to the Plan’s mortality assumption. To the extent that current inactive Members live longer than expected, the future 5-year and 10-year benefit projections may be larger than the amounts disclosed in the previous paragraph. Higher levels of benefit payments, payable for a longer period of time, may cause a significant strain to the Plan’s cash flow, future Recommended Contributions, and may lead to Plan insolvency.

### *Unfunded Liability:*

Unfunded Liability represents the financial shortfall of the Actuarial Value of Assets compared to the Actuarial Accrued Liability. To the extent that Unfunded Liability exists, the Plan is losing potential investment earnings due to the financial shortfall. Contributions towards Unfunded Liability pay for the lost investment earnings, as well as the outstanding unfunded amount. If payments towards Unfunded Liability are not made, the Unfunded Liability will grow.

In the early 1990s, many Pension Funds in Illinois adopted an increasing payment towards Unfunded Liability due to a change in legislation. The initial payment decreased, and future payments are anticipated to increase annually after that. In many situations, payments early on were less than the interest on Unfunded Liability, which means that Unfunded Liability increased even though contributions were made at the recommended level.

The current Recommended Contribution includes a payment towards Unfunded Liability that is approximately \$430,000 greater than the interest on Unfunded Liability. All else being equal, and contributions being made, Unfunded Liability is expected to decrease. The Employer and Fund should anticipate that improvement in the current Percent Funded will be mitigated in the short-term. The Employer and Fund should understand this impact as we progress forward to manage expectations.

### *Actuarial Value of Assets:*

The Pension Fund smooths asset returns that vary from expectations over a 5-year period. The intention is that asset returns for purposes of funding recommendations are a combination of several years. The impact is intended to smooth out the volatility of Recommended Contributions over time, but not necessarily increase or decrease the level of contributions over the long-term.

When asset returns are smoothed, there are always gains or losses on the Market Value of Assets that are going to be deferred for current funding purposes, and recognized in future years. Currently, the Pension Fund is deferring approximately \$3.8 million in gains on the Market Value of Assets. These are asset





## *MANAGEMENT SUMMARY*

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gains that will be recognized in upcoming periods, independent of the future performance of the Market Value of Assets.

### *Cash Flow Risk:*

Assets, liabilities, and Funded Status are good metrics to monitor over time to assess the progress of the Funding Policy. However, these metrics may provide limited forward-looking insights. Specifically, the maturity of a Pension Fund can pose certain risks that often cannot be assessed with a point-in-time metric such as Percent Funded.

For example, two different Pension Funds could have the same Percent Funded, but have completely different risk profiles. One Fund might mostly cover active Members with little to no Members in pay status, whereas a second Fund might mostly cover inactive Members with a significant level of annual benefit payments. The latter Fund has a greater “Cash Flow Risk”, i.e. a more significant chance that negative cash flows could lead to a deteriorating, rather than improving, Percent Funded over time.

It is important to note that, in general, positive net cash flows are good, but also need to be sufficient to cover the growth in the liabilities (i.e. the Normal Cost as well as interest on the Actuarial Accrued Liability). Typically, when cash flows are assumed to be insufficient to cover the growth in liabilities, the Percent Funded will decline, while future Recommended Contributions will increase.

### *Benefit Payment Risk:*

Ideally, plans in a sound financial position will have the ratio of annual benefits payments to the Market Value of Assets to be less than the Expected Rate of Return on Investments assumption (i.e. 7.00%). Theoretically, in this case it can be considered that investment returns will fully cover the annual benefit payments, and therefore, all Employer and Member Contributions made to the Fund will be used to pay for future benefit accruals and pay down the existing Unfunded Liability. To the extent that the ratio of the annual benefit payments to the Market Value of Assets increases to above the Expected Rate of Return on Investments assumption, the Plan may experience some additional risks, such as the need to keep assets in more liquid investments, inability to pay down Unfunded Liability, and may lead to Plan insolvency.

As of the Valuation Date, the Lake Zurich Firefighters’ Pension Fund has a ratio of benefit payments to the Market Value of Assets of 3.93%. In this case, the Plan is currently in a sound financial position and has a reduced amount of Benefit Payment Risk and Cash Flow Risk. It would be expected that adherence to the current Funding Policy would lead to an increasing Percent Funded.

### Fund Assets

The results in this report are based on the assets held in the Pension Fund. Assets consist of funds held for investment and for benefit payments as of the Actuarial Valuation Date. In addition, assets may be adjusted for other events representing dollars that are reasonably expected to be paid out from the Pension Fund or deposited into the Pension Fund after the Actuarial Valuation Date as well.



## *MANAGEMENT SUMMARY*

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The current Fund assets are audited.

The Actuarial Value of Assets under the Funding Policy is equal to the Market Value of Assets, with unexpected gains and losses smoothed over 5 years. More detail on the Actuarial Value of Assets can be found in the *Actuarial Funding Policies* section of this report.

*The Fund  
Assets Used in  
this Report  
are Audited.*



Lake Zurich Firefighters' Pension Fund  
Page 8

## *MANAGEMENT SUMMARY*

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### Demographic Data

Demographic factors can change from year to year within the Pension Fund. Changes in this category include hiring new Members, Members retiring or becoming disabled, inactive Members passing away, and other changes. Demographic changes can cause an actuarial gain (contribution that is less than expected compared to the prior year) or an actuarial loss (contribution that is greater than expected compared to the prior year).

Demographic gains and losses occur when the assumptions over the one-year period for Member changes do not meet our long-term expectation. For example, if no Members become disabled during the year, we would expect a liability gain. If more Members become disabled than anticipated during the year, we would expect a liability loss. Generally, we expect short-term fluctuations in demographic experience to create gains or losses of 1%-3% of the Actuarial Accrued Liability in any given year, but to balance out in the long-term.

“Demographic Risk” occurs when Plan demographic experience differs significantly from expected. Similar to Longevity Risk discussed previously, additional risk is created when demographic experience differs from the assumed rates of disability, retirement, or termination. Under the chosen assumptions, actuarial gains and/or losses will always occur, as the assumptions will never be exactly realized. However, the magnitude of the gain and/or loss and its influence on the Recommended Contribution largely depends on the size of the Plan.

Based on the number of active Members in the Plan, the Recommended Contribution has a low risk of having a significant increase due to demographic experience. For example, 1 new disabled Member would typically generate a substantial increase to the Actuarial Accrued Liability. However, due to the size of the Plan, there is an appropriate means to absorb demographic losses without causing a significant increase to the Recommended Contribution.

In the current report, the key demographic changes were as follows:

*Retirement:* There were 2 Members of the Fund who retired during the year. When a Member retires, the Normal Cost will decrease. Any change in the Actuarial Accrued Liability will be considered when determining the amount to pay towards Unfunded Liability each year. The increase in the Recommended Contribution in the current year due to the retirement experience is approximately \$24,000.

*Mortality:* As inactive Members age and continue to collect benefits, the Fund liability will increase. In the current year, there were 30 inactive Members who maintained their benefit collection status throughout the year. The decrease in the Recommended Contribution in the current year due to the mortality experience is approximately \$15,000.

*Salary Increases:* Salary increases were greater than anticipated in the current year. This caused an increase in the Recommended Contribution in the current year of approximately \$15,000.



## ***MANAGEMENT SUMMARY***

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### Assumption Changes

The assumptions were not changed from the prior valuation.

### Funding Policy Changes

The Funding Policy was not changed from the prior valuation.



Lake Zurich Firefighters' Pension Fund  
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## **MANAGEMENT SUMMARY**

### **ACTUARIAL RECOMMENDED CONTRIBUTION – RECONCILIATION**

Actuarial Accrued Liability is expected to increase each year for both interest for the year and as active Members earn additional service years towards retirement. Similarly, Actuarial Accrued Liability is expected to decrease when the Fund pays benefits to inactive Members.

Contributions are expected to increase as expected pay increases under the Funding Policy for the Fund.

	Actuarial Liability	Recommended Contribution
Prior Valuation	\$ 63,229,216	\$ 2,852,427
Expected Changes	3,769,839	92,703
Initial Expected Current Valuation	<u>\$ 66,999,055</u>	<u>\$ 2,945,131</u>

Other increases or decreases in Actuarial Accrued Liability (key changes noted below) will increase or decrease the amount of Unfunded Liability in the Plan. To the extent that Unfunded Liability increases or decreases unexpectedly, the contribution towards Unfunded Liability will also change unexpectedly.

	Actuarial Liability	Recommended Contribution
Salary Increases Greater than Expected	\$ 80,943	\$ 15,493
Actuarial Experience	(1,457,086)	(137,025)
Asset Return Greater than Expected*	-	(99,519)
Contributions Less than Expected	-	50,192
Total Increase/(Decrease)	<u>\$ (1,376,143)</u>	<u>\$ (170,859)</u>
Current Valuation	<u>\$ 65,622,912</u>	<u>\$ 2,774,272</u>

\*Impact on the Recommended Contribution due to asset return is on an Actuarial Value of Assets basis.

In the current valuation, we have updated the Actuarial Valuation software used to determine Actuarial Liability. The Actuarial Experience can be attributable to several factors including Actuarial Valuation software changes, demographic changes, and benefit payment experience compared to expectation. Key demographic changes were discussed in the *Demographic Data* section of this report.





## VALUATION OF FUND ASSETS

Market Value of Assets  
Market Value of Assets (Gain)/Loss  
Development of the Actuarial Value of Assets  
Actuarial Value of Assets (Gain)/Loss  
Historical Asset Performance

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## **VALUATION OF FUND ASSETS**

### **MARKET VALUE OF ASSETS**

#### Statement of Assets

	Prior Valuation	Current Valuation
Cash and Cash Equivalents	\$ 147,125	\$ 3,320
Money Market	-	723,390
Fixed Income	15,250,102	18,223,152
Insurance Contracts	495,990	209,570
Mutual Funds	25,522,969	29,186,449
Receivables (Net of Payables)	91,563	84,889
Total Market Value of Assets	<u>\$ 41,507,749</u>	<u>\$ 48,430,770</u>

*The Total Market  
Value of Assets has  
Increased by  
Approximately  
\$6,923,000 from the  
Prior Valuation.*

#### Statement of Changes in Assets

Total Market Value of Assets - Prior Valuation	\$ 41,507,749
Plus - Employer Contributions	2,300,705
Plus - Member Contributions	508,642
Plus - Return on Investments	6,077,294
Less - Benefit Payments and Refunds	(1,902,974)
Less - Other Expenses	<u>(60,646)</u>
Total Market Value of Assets - Current Valuation	<u>\$ 48,430,770</u>

*The Rate of Return on  
Investments on a  
Market Value of Assets  
Basis for the Fund was  
Approximately 14.34%  
Net of Administrative  
Expense.*

The Rate of Return on Investments shown above has been determined as the Return on Investments from the Statement of Changes in Assets, as a percent of the average of the prior and current Market Value of Assets. The Rate of Return on Investments is net of Other Expenses, and has been excluded from the Total Market Value of Assets at the end of the Fiscal Year for this calculation.



## *VALUATION OF FUND ASSETS*

### MARKET VALUE OF ASSETS (GAIN)/LOSS

#### Current Year (Gain)/Loss on Market Value of Assets

Total Market Value of Assets - Prior Valuation	\$ 41,507,749
Employer and Member Contributions	2,809,347
Benefit Payments and Refunds	(1,902,974)
Expected Return on Investments	<u>2,937,265</u>
Expected Total Market Value of Assets - Current Valuation	45,351,387
Actual Total Market Value of Assets - Current Valuation	<u>48,430,770</u>
Current Market Value of Assets (Gain)/Loss	<u>\$ (3,079,383)</u>
Expected Return on Investments	\$ 2,937,265
Actual Return on Investments (Net of Expenses)	<u>6,016,648</u>
Current Market Value of Assets (Gain)/Loss	<u>\$ (3,079,383)</u>

*The Actual Return  
on Investments on a  
Market Value of  
Assets Basis was  
Greater than  
Expected for the  
Current Year.*

The (Gain)/Loss on the current Market Value of Assets has been determined based on the Expected Rate of Return on Investments as shown in the *Actuarial Assumptions* section of this report.





## VALUATION OF FUND ASSETS

### DEVELOPMENT OF THE ACTUARIAL VALUE OF ASSETS

Total Market Value of Assets - Current Valuation \$ 48,430,770

Adjustment for Prior (Gains)/Losses

	Full Amount	Deferral
FYE 2020	\$ (3,079,383)	(2,463,506)
FYE 2019	(4,080,158)	(2,448,095)
FYE 2018	3,248,934	1,299,574
FYE 2017	(928,740)	(185,748)
Total Deferred (Gain)/Loss		(3,797,775)
Initial Actuarial Value of Assets - Current Valuation		\$ 44,632,995
Less Contributions for the Current Year and Interest		-
Less Adjustment for the Corridor		-
Total Actuarial Value of Assets - Current Valuation		\$ 44,632,995

*The Actuarial Value of Assets is Equal to the Market Value of Assets with Unanticipated (Gains)/Losses Recognized Over 5 Years. The Actuarial Value of Assets is 92.16% of the Market Value of Assets.*

### ACTUARIAL VALUE OF ASSETS (GAIN)/LOSS

Total Actuarial Value of Assets - Prior Valuation	\$ 39,869,242
Plus - Employer Contributions	2,300,705
Plus - Member Contributions	508,642
Plus - Return on Investments	3,918,026
Less - Benefit Payments and Refund	(1,902,974)
Less - Other Expenses	(60,646)
Total Actuarial Value of Assets - Current Valuation	\$ 44,632,995

*The Rate of Return on Investments on an Actuarial Value of Assets Basis for the Fund was Approximately 9.57% Net of Administrative Expense.*

The Actuarial Value of Assets incorporates portions of gains and losses over multiple years.



Lake Zurich Firefighters' Pension Fund  
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## **VALUATION OF FUND ASSETS**

### **HISTORICAL ASSET PERFORMANCE**

The chart below shows the historical Rates of Return on Investments for both Market Value of Assets and Actuarial Value of Assets.

	<u>Market Value of Assets</u>	<u>Actuarial Value of Assets</u>
FYE 2020	14.34%	9.57%
FYE 2019	18.79%	4.95%
FYE 2018	(4.58%)	3.89%
FYE 2017	12.18%	5.85%
FYE 2016	3.74%	4.25%
FYE 2015	(1.45%)	5.56%
FYE 2014	6.50%	7.30%

The historical Rates of Return on Investments shown above were calculated based on the annual Return on Investments, as a percentage of the average value of the assets for the year.

For purposes of determining the average value of assets for the year, the ending Market Value of Assets has been adjusted to net out to the portion related to the Return on Investments themselves. All other cash flows are included.

For purposes of determining the annual Return on Investments we have adjusted the figures shown on the preceding pages. The figures shown on the preceding pages are net of Investment Expenses. We have made an additional adjustment to net out Administrative Expenses. Netting out Administrative Expenses allows us to capture returns for the year that can be used to make benefit payments as part of the ongoing actuarial process.

The adjustments we made are for actuarial reporting purposes only. By netting out Administrative Expenses and capturing Return on Investments that are available to pay benefits, it provides us a comparison to the Expected Rate of Return on Investments, but does not provide a figure that would be consistent with the rates of return that are determined by other parties. Therefore, this calculated Return on Investments should not be used to analyze investment performance of the Fund or the performance of the investment professionals.



## *VALUATION OF FUND ASSETS*

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### Expected Rate of Return on Investments Assumption

The Expected Rate of Return on Investments for this valuation is 7.00%. Lauterbach & Amen, LLP does not provide investment advice. We look at a variety of factors when reviewing the Expected Rate of Return on Investments assumption selected by the Board. These factors include: historical Rates of Return on Investments, capital market projections performed by the Fund's investment advisors, the Fund's investment policy, capital market forward-looking benchmark expected returns by independent investment companies, rates used by comparable pension systems, and other factors identified in the Actuarial Standards of Practice.

Generally speaking, the ideal assumption for Expected Rate of Return on Investments is one that has a 50% chance of being met over the long-term. If actual returns going forward come in less than expected, the pension system risks deferring contributions to the future that should be made today, and creating additional contribution volatility. Reducing the Expected Rate of Return on Investments by 25 basis points produces a Recommended Contribution that is 11.00% higher than currently shown.

We recommend the Board review the Expected Rate of Return on Investments, and consider whether or not the assumption is a reasonable representation of future expected asset returns, and review their options prior to the completion of the next Actuarial Valuation.

"Investment Risk" is the potential that actual Return on Investments will be different from what is expected. The selected Expected Rate of Return on Investments assumption is chosen to be a long-term assumption, producing a return that, on average, would produce a stable rate of return over a long-term horizon. Actual asset returns in the short-term may deviate from this long-term assumption due to current market conditions. Furthermore, establishing the Expected Rate of Return on Investments assumption may be dependent on the Illinois State Statutes pertaining to the limitations on types of investments Plan Sponsors may use. If the actual annual rates of return are less than the Expected Rate of Return on Investments, actuarial losses will be produced, thus increasing the Plan's Unfunded Liability and, subsequently, future Recommended Contributions.

"Asset/Liability Mismatch" risk is a similar concept as Investment Risk, as it relates to setting the Expected Rate of Return on Investments assumption compared to the actual Return on Investments achieved. The Interest Rate used to discount future Plan liabilities is set equal to the Expected Rate of Return on Investments. It is expected that the selected Interest Rate be a rate that is reasonably expected to be achieved over the long-term. To the extent that the selected Interest Rate to value Plan liabilities is unreasonable, or significantly different than the actual Return on Investments earned over an extended period of time, additional Interest Rate risk is created. For example, determining Plan liabilities at an Interest Rate higher than what is expected to be achieved through investment returns results in Unfunded Liability that is not a true representation of the Plan's condition and Percent Funded. As a result, the Actuarial Accrued Liability determined is an amount smaller than the liability that would be produced with an Interest Rate more indicative of future Expected Rate of Return on Investments. Therefore, the Recommended Contributions under the established Funding Policy may not be sufficient to appropriately meet the true pension obligations.





## RECOMMENDED CONTRIBUTION DETAIL

Actuarial Accrued Liability  
Funded Status  
Development of the Employer Normal Cost  
Normal Cost as a Percentage of Expected Payroll  
Recommended Contribution Breakdown  
Schedule of Amortization – Unfunded Actuarial Accrued Liability  
Actuarial Methods – Recommended Contribution

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## **RECOMMENDED CONTRIBUTION DETAIL**

### **ACTUARIAL ACCRUED LIABILITY**

	Prior Valuation	Current Valuation
Active Members	\$ 31,504,917	\$ 29,189,419
Inactive Members		
Terminated Members*	56,221	146,159
Retired Members	21,292,186	25,596,164
Disabled Members	9,816,724	10,147,623
Other Beneficiaries	559,168	543,547
Total Inactive Members	31,724,299	36,433,493
Total Actuarial Accrued Liability	\$ 63,229,216	\$ 65,622,912

*The Total Actuarial  
Accrued Liability  
has Increased by  
Approximately  
\$2,394,000 from the  
Prior Valuation.*

\*Terminated Members Actuarial Accrued Liability for the current valuation includes non-vested terminated Members entitled to a refund of Employee Contributions that was not included in the prior valuation.

### **FUNDED STATUS**

	Prior Valuation	Current Valuation
Total Actuarial Accrued Liability	\$ 63,229,216	\$ 65,622,912
Total Actuarial Value of Assets	39,869,242	44,632,995
Unfunded Actuarial Accrued Liability	\$ 23,359,974	\$ 20,989,917
Total Market Value of Assets	\$ 41,507,749	\$ 48,430,770
<u>Percent Funded</u>		
Actuarial Value of Assets	<u>63.06%</u>	<u>68.01%</u>
Market Value of Assets	<u>65.65%</u>	<u>73.80%</u>

*The Percent Funded  
as of the Actuarial  
Valuation Date is  
Subject to Volatility  
on Assets and  
Liability in the  
Short-Term.*



## **RECOMMENDED CONTRIBUTION DETAIL**

### **DEVELOPMENT OF THE EMPLOYER NORMAL COST**

	Prior Valuation	Current Valuation
Total Normal Cost	\$ 1,295,068	\$ 1,324,445
Estimated Member Contributions	(511,589)	(506,793)
Employer Normal Cost	<u>\$ 783,479</u>	<u>\$ 817,652</u>

*At a 100%  
Funding Level,  
the Normal Cost  
Contribution is  
Still Required.*

### **NORMAL COST AS A PERCENTAGE OF EXPECTED PAYROLL**

	Prior Valuation	Current Valuation
Expected Payroll	<u>\$ 5,410,780</u>	<u>\$ 5,425,754</u>
Member Normal Cost Rate	<u>9.455%</u>	<u>9.455%</u>
Employer Normal Cost Rate	<u>14.48%</u>	<u>14.96%</u>
Total Normal Cost Rate	<u>23.93%</u>	<u>24.41%</u>

*Ideally, the  
Employer  
Normal Cost  
Rate will Remain  
Stable.*

### **RECOMMENDED CONTRIBUTION BREAKDOWN**

	Prior Valuation	Current Valuation
Employer Normal Cost*	\$ 838,323	\$ 874,888
Amortization of Unfunded Accrued Liability/(Surplus)	<u>2,014,105</u>	<u>1,899,384</u>
Recommended Contribution	<u>\$ 2,852,427</u>	<u>\$ 2,774,272</u>

*The  
Recommended  
Contribution has  
Decreased by  
2.74% from the  
Prior Valuation.*

\*Employer Normal Cost Contribution includes interest through the end of the Fiscal Year.



## ***RECOMMENDED CONTRIBUTION DETAIL***

### **SCHEDULE OF AMORTIZATION – UNFUNDED ACTUARIAL ACCRUED LIABILITY**

Below is the schedule of remaining amortization balances for the Unfunded Liability.

<b>Unfunded Liability Base</b>	<b>Initial Balance</b>	<b>Date Established</b>	<b>Current Balance</b>	<b>Years Remaining</b>	<b>Payment</b>
Investment (Gain)/Loss	\$ (1,099,773)	12/31/2020	\$ (1,099,773)	15	\$ (99,519)
Actuarial (Gain)/Loss	(1,100,426)	12/31/2020	(1,100,426)	15	(99,577)
Contribution Experience	209,048	12/31/2020	209,048	15	18,917
Investment (Gain)/Loss	720,214	12/31/2019	708,532	15	64,115
Actuarial (Gain)/Loss	243,230	12/31/2019	239,285	15	21,653
Contribution Experience	73,367	12/31/2019	72,177	15	6,531
Assumption Changes	934,798	12/31/2019	919,635	15	83,218
Plan Changes	476,348	12/31/2019	468,621	15	42,406
Investment (Gain)/Loss	1,031,186	12/31/2018	1,001,814	15	90,654
Actuarial (Gain)/Loss	960,087	12/31/2018	932,740	15	84,404
Contribution Experience	(84,156)	12/31/2018	(81,758)	15	(7,398)
Initial Unfunded Liability	<u>\$ 19,446,615</u>	12/31/2017	<u>\$ 18,720,022</u>	15	<u>\$ 1,693,980</u>
<b>Total</b>	<b><u>\$ 21,810,537</u></b>		<b><u>\$ 20,989,917</u></b>		<b><u>\$ 1,899,384</u></b>

The Actuarial (Gain)/Loss can be attributable to several factors including Actuarial Valuation software changes, demographic changes, Employer Contribution timing, Member Contribution experience, benefit payment experience, and salary increase experience compared to expectation.



## ***RECOMMENDED CONTRIBUTION DETAIL***

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### **ACTUARIAL METHODS – RECOMMENDED CONTRIBUTION**

Actuarial Valuation Date	January 1, 2021
Data Collection Date	December 31, 2020
Actuarial Cost Method	Entry Age Normal (Level % Pay)
Amortization Method	Level % Pay (Closed)
Amortization Target	100% Funded Over 15 Years
Asset Valuation Method	5-Year Smoothed Market Value

The contributions and benefit values of the Pension Fund are calculated by applying actuarial assumptions to the benefit provisions and census data furnished, using the Actuarial Cost Method described. The Actuarial Cost and Amortization Methods allocate the projected obligations of the Plan over the working lifetimes of the Plan Members.

The Recommended Contribution amount shown in this report is based on the methods summarized above. The *Actuarial Funding Policies* section of this report includes a more detailed description of the Actuarial Funding Methods being used.

The Actuarial Funding Methods are meant to provide a systematic process for determining contributions on an annual basis. The methods do not impact the expectation of future benefit payments. The methods only impact the way contributions are made towards future benefit payments.

Different Actuarial Funding Methods may achieve funding goals with differing levels of success. Certain methods are more efficient and more stable on an annual basis.



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## ILLINOIS STATUTORY MINIMUM CONTRIBUTION

Statutory Minimum Contribution  
Funded Status – Statutory Minimum  
Actuarial Methods – Illinois Statutory Minimum Contribution

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## *ILLINOIS STATUTORY MINIMUM CONTRIBUTION*

### STATUTORY MINIMUM CONTRIBUTION

	Prior Valuation	Current Valuation
Statutory Minimum Contribution	\$2,178,412	\$1,872,833
Expected Payroll	\$5,410,780	\$5,425,754
Statutory Minimum Contribution as a Percent of Expected Payroll	40.26%	34.52%

*The Statutory  
Minimum  
Contribution has  
Decreased by  
\$305,579 from the  
Prior Valuation.*

### FUNDED STATUS – STATUTORY MINIMUM

	Prior Valuation	Current Valuation
Normal Cost	\$1,577,228	\$1,187,259
Market Value of Assets	\$41,507,749	\$48,430,770
Actuarial Value of Assets	\$39,869,242	\$44,632,995
Actuarial Accrued Liability	\$60,517,745	\$66,893,055
Unfunded Actuarial Accrued Liability/(Surplus)	\$20,648,503	\$22,260,060
<u>Percent Funded</u>		
Actuarial Value of Assets	65.88%	66.72%
Market Value of Assets	68.59%	72.40%

*The Statutory  
Minimum Percent  
Funded has  
Increased by 0.84%  
on an Actuarial  
Value of Assets  
Basis.*



## *ILLINOIS STATUTORY MINIMUM CONTRIBUTION*

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The Statutory Minimum Contribution is based on Actuarial Funding Methods and funding parameters in the Illinois State Statutes for pension funding. The resulting contribution is lower than the Recommended Contribution for the current year. The lower contribution amount is not recommended because it represents a deferral of contributions when compared to the Recommended Contribution method.

Actuarial Funding Methods for pensions are best applied to provide a balance between the long-term goals of a variety of stakeholders:

1. Members – the Members are interested in benefit security and having the funds available to pay benefits when retired
2. Employers – cost control and cost stability over the long-term
3. Taxpayers – paying for the services they are receiving from active Members

The Statutory Minimum Contribution methods are not intended to provide a better system in any of the above categories long-term. The parameters are not recommended for a long-term funding strategy.

The Statutory Minimum methods put into place in 2011 were intended to provide short-term budget relief for Employer Contributions. An Employer using the Statutory Minimum parameters for current funding should view the contributions as short-term relief. Our recommendation in this situation is for a Pension Fund and an Employer to work towards a long-term funding strategy that better achieves the long-term funding goals, over a period that does not exceed 3-5 years.

The Securities and Exchange Commission in 2013 used the phrase “Statutory Underfunding” to describe situations where contributions appear to be more manageable in the short-term, but set up future Recommended Contributions that are less likely to be manageable.



Lake Zurich Firefighters' Pension Fund  
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## ***ILLINOIS STATUTORY MINIMUM CONTRIBUTION***

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### **ACTUARIAL METHODS – ILLINOIS STATUTORY MINIMUM CONTRIBUTION**

Actuarial Valuation Date	January 1, 2021
Data Collection Date	December 31, 2020
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level % Pay (Closed)
Amortization Target	90% Funded Over 20 Years
Asset Valuation Method	5-Year Smoothed Market Value

The contribution and benefit values of the Pension Fund are calculated by applying actuarial assumptions to the benefit provisions and census data furnished, using the Actuarial Cost Method described. The Actuarial Cost and Amortization methods allocate the projected obligations of the Plan over the working lifetimes of the Plan Members.

The Actuarial Funding Methods are meant to provide a systematic process for determining contributions on an annual basis. The methods do not impact the expectation of future benefit payments. The methods only impact the way contributions are made towards future benefit payments.

Different Actuarial Funding Methods may achieve funding goals with differing levels of success. Certain methods are more efficient and more stable on an annual basis.





## ACTUARIAL VALUATION DATA

Active Members  
Inactive Members  
Summary of Monthly Benefit Payments

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## ***ACTUARIAL VALUATION DATA***

### **ACTIVE MEMBERS**

	Prior Valuation	Current Valuation
Tier I	33	31
Tier II	20	20
Total Active Members	53	51
Total Payroll	\$ 5,324,261	\$ 5,338,995

### **INACTIVE MEMBERS**

	Prior Valuation	Current Valuation
Terminated Members*	1	2
Retired Members	16	18
Disabled Members	10	10
Other Beneficiaries	6	4
Total Inactive Members	33	34

\*Terminated Members for the current valuation includes non-vested terminated Members entitled to a refund of Employee Contributions who were not included in the prior valuation.

### **SUMMARY OF MONTHLY BENEFIT PAYMENTS**

	Prior Valuation	Current Valuation
Retired Members	98,265	114,712
Disabled Members	45,967	47,034
Other Beneficiaries	3,996	4,000
Total Inactive Members	\$ 148,228	\$ 165,746



Lake Zurich Firefighters' Pension Fund  
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## ACTUARIAL FUNDING POLICIES

Actuarial Cost Method  
Financing Unfunded Actuarial Accrued Liability  
Actuarial Value of Assets

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## ***ACTUARIAL FUNDING POLICIES***

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### **ACTUARIAL COST METHOD**

The Actuarial Cost Method allocates the projected obligations of the Plan over the working lifetimes of the Plan Members.

In accordance with the Pension Fund's Funding Policy the Actuarial Cost Method for the Recommended Contribution basis is Entry Age Normal (Level Percent of Pay). The Entry Age Normal Cost Method is a method under which the Actuarial Present Value of the projected benefits of each individual included in an Actuarial Valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age. The portion of this Actuarial Present Value allocated to a valuation year is called Normal Cost. The portion of the Actuarial Present Value not provided at an Actuarial Valuation Date by the Actuarial Present Value of future Normal Costs is called the Actuarial Accrued Liability.

The Entry Age Normal method attempts to create a level cost pattern. In contrast to other Actuarial Cost Methods which inherently lead to uneven or less predictable cost patterns, the Entry Age Normal method is generally understood to be less risky in terms of contribution stability from year to year.

The Conference of Consulting Actuaries Public Plans Community produced a "white paper" detailing Funding Policy model practices for public sector pension plans. Under the Level Cost Actuarial Methodology ("LCAM"), one of the principal elements to a Funding Policy is the Actuarial Cost Method. When deciding which Actuarial Cost Method to use, several objectives may be considered, such as the following:

- Each Member's benefit should be funded under a reasonable allocation method by the expected retirement date
- Pay-related benefit costs should reflect anticipated pay at retirement
- The expected cost of each year of service (i.e. Normal Cost) for each active Member should be reasonably related to the expected cost of that Member's benefit
- The Member's Normal Cost should emerge as a level percent of Member compensation
- No gains or losses should occur if all assumptions are met.

Following these criteria, the use of the Entry Age Normal Cost Method (Level Percent of Pay) is a model practice.

### **FINANCING UNFUNDED ACTUARIAL ACCRUED LIABILITY**

The Unfunded Actuarial Accrued Liability may be amortized over a period either in level dollar amounts or as a level percentage of projected payroll.

When amortizing the Unfunded Actuarial Accrued Liability as a level percentage of payroll, additional risk is incurred since the amortization payments in the early years of the payment period may not be large enough to cover the interest accrued on the existing Unfunded Liability. As a result, the Unfunded





## *ACTUARIAL FUNDING POLICIES*

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Liability may increase initially, before the amortization payments grow large enough to cover all interest accruals. Generally speaking, the Plan Sponsor will be required to contribute a larger total contribution amount over the course of the funding period under a level percentage of payroll basis as compared to a level dollar payroll schedule.

The Government Finance Officers Association notes that best practices in public pension finance include utilizing amortization periods that do not exceed 20 years. Longer amortization periods elevate the risk of failing to reduce any Unfunded Liability. For example, when the amortization payment in full only covers interest on the Unfunded Liability, but does not reduce the existing Unfunded Liability, the required contribution will increase in future years.

A second principal element under the Level Cost Actuarial Methodology described above is to establish an Amortization Policy that determines the length of time and the structure of the increase or decrease in contributions required to systematically fund the Unfunded Actuarial Accrued Liability. When deciding on the Amortization Policy, several objectives may be considered, such as the following:

- Variations in the source of liability changes (i.e. gains or losses, Plan changes, assumption changes) should be funded over periods consistent with an appropriate balance between the policy objectives of demographic matching and volatility management
- The cost changes in Unfunded Actuarial Accrued Liability should emerge as a level percentage of Member compensation

The LCAM model practices for the Amortization Policy include the following:

- Layered fixed period amortization by source
- Level percent of pay amortization
- An amortization period ranging from 15-20 years for experience gains or losses
- An amortization period of 15-25 years for assumption changes

In accordance with the Pension Fund's Funding Policy for the Recommended Contribution, the Unfunded Actuarial Accrued Liability is amortized by level percent of payroll contributions to a 100% funding target over the remaining 15 years. See the *Actuarial Methods – Recommended Contribution* section of this report for more detail.

We believe that the amortization period is appropriate for the purposes of this valuation.



## ***ACTUARIAL FUNDING POLICIES***

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### **ACTUARIAL VALUE OF ASSETS**

The Pension Fund is an ongoing plan. The Employer wishes to smooth the effect of volatility in the Market Value of Assets on the annual contribution. Therefore, the Actuarial Value of Assets is equal to the Market Value of Assets with unanticipated gains/losses recognized over a five-year period.

The Asset Valuation Method is intended to create an Actuarial Value of Assets that remains reasonable in relation to the Market Value of Assets over time. The method produces results that can fall either above or below the Market Value of Assets. The period of recognition is short.

It is intended that the period of recognition is short enough to keep the Actuarial Value of Assets within a decent range of the Market Value of Assets. In the event that the Actuarial Value of Assets exceeds or falls below a 10% corridor of the Market Value of Assets, the additional gain or loss will be recognized immediately.





## ACTUARIAL ASSUMPTIONS

Nature of Actuarial Calculations  
Actuarial Assumptions in the Valuation Process  
Assessment of Risk Exposures  
Limitations of Risk Analysis  
Assessment and Use of Actuarial Models  
Actuarial Assumptions Utilized

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## **ACTUARIAL ASSUMPTIONS**

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### **NATURE OF ACTUARIAL CALCULATIONS**

The results documented in this report are estimates based on data that may be imperfect and on assumptions about future events. Certain Plan Provisions may be approximated or deemed immaterial, and, therefore, are not valued. Assumptions may be made about census data or other factors. Reasonable efforts were made in this valuation to ensure that significant items in the context of the Actuarial Accrued Liability or costs are treated appropriately, and not excluded or included inappropriately.

Actual future experience will differ from the assumptions used in the calculations. As these differences arise, the expense for accounting purposes will be adjusted in future valuations to reflect such actual experience.

A range of results different from those presented in this report could be considered reasonable. The numbers are not rounded, but this is for convenience only and should not imply precision which is not inherent in actuarial calculations.

### **ACTUARIAL ASSUMPTIONS IN THE VALUATION PROCESS**

The contributions and benefit values of the Pension Fund are calculated by applying actuarial assumptions to the benefit provisions and census data furnished, using the Actuarial Cost Method described in the *Actuarial Funding Policies* section of this report.

The principal areas of financial risk which require assumptions about future experience are:

- Expected Rate of Return on Investments
- Patterns of Pay Increases for Members
- Rates of Mortality Among Active and Inactive Members
- Rates of Termination Among Active Members
- Rates of Disability Among Active Members
- Age Patterns of Actual Retirements

Actual experience of the Pension Fund will not coincide exactly with assumed experience. Each valuation provides a complete recalculation of assumed future experience and takes into account all past differences between assumed and actual experience. The result is a continual series of adjustments to the computed Recommended Contribution.

Details behind the selection of the actuarial assumptions can be found in the Actuarial Assumption Summary document provided to the client upon request. The client has reviewed and approved the assumptions as a reasonable expectation of the future anticipated experience under the Plan.



## **ACTUARIAL ASSUMPTIONS**

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### **ASSESSMENT OF RISK EXPOSURES**

From time to time it becomes appropriate to modify one or more of the assumptions, to reflect experience trends (but not random year-to-year fluctuations). In addition, Actuarial Standards of Practice require that the Actuary minimally perform a qualitative assessment of key financial and demographic risks as part of the risk assessment process with each annual Actuarial Valuation. The risk assessments we perform include, but are not limited to, the following:

- Periodic demographic experience studies every 3 to 5 years to confirm the ongoing appropriateness of actuarial assumptions
- Highlight the impact of demographic experience over the past year, as well as other sources of change and volatility in the *Actuarial Recommended Contribution – Reconciliation* section of this report
- Detail year-over-year changes in contribution levels, assets, liabilities, and Funded Status in the *Recommended Contribution* and *Funded Status* sections in the *Management Summary* section of this report
- Review any material changes in the census as summarized in the *Actuarial Valuation Data* section of this report
- Provide and discuss the Actuarial Assumption Summary document highlighting the rationale for each key assumption chosen by the Board
- Identify potential Cash Flow Risk by highlighting expected benefit payments over the next 5-year and 10-year periods in the *Asset Growth* section in the *Management Summary* section of this report
- Describe the impact of any assumption, method, or policy change in the *Management Summary* section of this report
- Utilize supplemental information, such as the GASB Discount Rate sensitivity disclosures to understand, for example, what impact an alternative Expected Rate of Return on Investments assumption might have on the estimation of Actuarial Accrued Liability and Funded Status
- Utilize supplemental information, such as the GASB solvency test, to better understand the Cash Flow Risk and long-term sustainability of the Plan.

### **LIMITATIONS OF RISK ANALYSIS**

Since future experience may never be precisely as assumed, the process of selecting funding methods and actuarial assumptions may inherently create risk and volatility of results. A more detailed evaluation of the above risk exposures is beyond the scope and nature of the annual Actuarial Valuation process. For example, scenario tests, sensitivity tests, stress tests, and/or stochastic modeling for multi-year projections to assess the impact of alternative assumptions and methods, or modeling future experience different from the assumptions in these results, are not included in this Actuarial Valuation.

The Lake Zurich Firefighters' Pension Fund and/or the Village of Lake Zurich, Illinois should contact the Actuary if they desire a more detailed assessment of any of these forward-looking risk exposures.



## **ACTUARIAL ASSUMPTIONS**

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### **ASSESSMENT AND USE OF ACTUARIAL MODELS**

Actuarial Valuations rely upon the use of actuarial modeling software to predict the occurrence of future events, which include specific demographic and financial potential outcomes. Actuarial assumptions are established to provide a guideline to use for such modeling.

- The model used in this Actuarial Valuation is intended to determine the Recommended Contribution, under the selected Funding Policy. The actuarial assumptions used were developed with this goal in mind.
- There are no known material limitations or inconsistencies among the actuarial assumptions or methods.
- The output from the model is reasonable based on the individual actuarial assumptions and based on the actuarial assumptions in the aggregate.
- The actuarial software used to calculate plan liabilities has been purchased from an outside vendor. We have performed thorough testing of the software, including review of sample participants, to ensure the intended purpose of the model, the operation of the model, sensitivities and dependencies, and strengths and limitations of the model are sufficient for this purpose.
- Census data and financial information have been provided by client professionals, financial advisors, and/or auditors, who are known to be experts in their respective fields. We rely on the fact that the information provided by these experts has been given for the intended purpose of this Actuarial Valuation.
- Where applicable, certain actuarial assumptions and Funding Policy may be required as prescribed by law. In such instances, we have followed legal guidance to ensure conformity.
- The Expected Rate of Return on Investments assumption has been chosen using input from several sources; including, but not limited to: client professionals, financial advisors, auditors, and other capital market outlooks. We have relied on the information provided, in the aggregate, to settle on the selected Expected Rate of Return on Investments assumption.

As stated in the *Limitations of Risk Analysis* section, future experience may never be precisely as assumed. As a result, the funding methods and actuarial assumptions used in the model may create volatility in the results when compared year after year. A more detailed evaluation of this volatility is beyond the scope and nature of the annual Actuarial Valuation process. In such cases, additional scenario tests, sensitivity tests, stress tests, and/or stochastic modeling for multi-year projections to assess the impact of alternative assumptions and methods, or modeling future experience different from the assumptions in these results, may be performed to determine a range of reasonable results.



Lake Zurich Firefighters' Pension Fund  
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## ***ACTUARIAL ASSUMPTIONS***

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### **ACTUARIAL ASSUMPTIONS UTILIZED**

**Expected Rate of Return on Investments** 7.00% Net of Administrative Expense

**CPI-U** 2.25%

**Total Payroll Increases** 3.25%

**Individual Pay Increases\*** 3.75% - 17.80%

Individual pay increases include a long-term average increase for inflation, average annual increases for promotions, and any additional increases for a step program. Sample rates are as follows:

Service	Rate	Service	Rate
0	17.80%	8	3.75%
1	8.87%	9	3.75%
2	9.29%	10	3.75%
3	8.44%	15	3.75%
4	9.90%	20	3.75%
5	3.75%	25	3.75%
6	3.75%	30	3.75%
7	3.75%	35	3.75%

\*Individual pay increases for active Members hired at age 40 or older are assumed annual increases at the ultimate rate reduced by 50 basis points, without adjustments in early service years.



Lake Zurich Firefighters' Pension Fund  
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## ***ACTUARIAL ASSUMPTIONS***

### **Retirement Rates**

100% of the L&A Assumption Study for Firefighters 2020 Cap Age 65. Sample rates are as follows:

Age	Rate	Age	Rate
50	7.00%	58	17.15%
51	7.00%	59	17.15%
52	7.00%	60	20.00%
53	7.00%	61	20.00%
54	7.00%	62	20.00%
55	17.15%	63	25.00%
56	17.15%	64	25.00%
57	17.15%	65	100.00%

### **Termination Rates**

100% of the L&A Assumption Study for Firefighters 2020. Sample rates are as follows:

Age	Rate	Age	Rate
25	7.02%	40	1.25%
30	4.07%	45	0.41%
35	2.41%	50	0.00%

### **Disability Rates**

100% of the L&A Assumption Study for Firefighters 2020. Sample rates are as follows:

Age	Rate	Age	Rate
25	0.07%	40	0.54%
30	0.09%	45	0.75%
35	0.27%	50	0.97%

75% of active Members who become disabled are assumed to be in the Line of Duty.



Lake Zurich Firefighters' Pension Fund  
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## ***ACTUARIAL ASSUMPTIONS***

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### **Mortality Rates**

Active Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study. Mortality improvement uses MP-2019 Improvement Rates applied on a fully generational basis.

50% of active Member deaths are assumed to be in the Line of Duty.

Retiree Mortality follows the L&A Assumption Study for Firefighters 2020. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2017 using MP-2019 Improvement Rates. These rates are then improved fully generationally using MP-2019 Improvement Rates.

Disabled Mortality follows the L&A Assumption Study for Firefighters 2020. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010 Study for disabled participants improved to 2017 using MP-2019 Improvement Rates. These rates are then improved fully generationally using MP-2019 Improvement Rates.

Spouse Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study for contingent survivors. For all rates not provided there (ages 45 and younger) the PubG-2010 Study for general employees was used. Mortality improvement uses MP-2019 Improvement Rates applied on a fully generational basis.

### **Marital Assumptions**

*Active Members:* 80% of active Members are assumed to be married. Female spouses are assumed to be 3 years younger than male spouses.

*Retiree and Disabled Members:* Actual spousal data was utilized for retiree and disabled Members.





## SUMMARY OF PRINCIPAL PLAN PROVISIONS

Establishment of the Fund  
Administration  
Member Contributions  
Regular Retirement Pension Benefit  
Early Retirement Pension Benefit  
Surviving Spouse Benefit  
Termination Benefit – Vested  
Disability Benefit

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## ***SUMMARY OF PRINCIPAL PLAN PROVISIONS***

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### **ESTABLISHMENT OF THE FUND**

The Firefighters' Pension Fund is established and administered as prescribed by "Article 4 – Firefighters' Pension Fund – Municipalities 500,000 and Under" of the Illinois Pension Code.

### **ADMINISTRATION**

The Firefighters' Pension Fund is administered by a Board of Trustees whose duties are to manage the Pension Fund, determine applications for pensions, authorize payment of pensions, establish rules, pay expenses, invest assets, and keep records.

### **MEMBER CONTRIBUTIONS**

Members contribute 9.455% of pensionable salary.

### **REGULAR RETIREMENT PENSION BENEFIT**

#### Hired Prior to January 1, 2011

*Eligibility:* Age 50 with at least 20 years of creditable service.

*Benefit:* 50% of final salary for the first 20 years of service, plus an additional 2.5% of final salary for each year of service beyond 20 years of service, pro-rated monthly, and not to exceed 75% of final salary. "Final salary" is based on the firefighter's pensionable salary attached to rank held on the last day of service.

*Annual Increase in Benefit:* A firefighter is entitled to receive an initial increase equal to 1/12 of 3% of the original monthly benefit for each full month that has passed since the pension began. The initial increase date will be the latter of the first day of the month after the pensioner turns age 55 or the first day of the month after the benefit date anniversary. Subsequent increases of 3% of the current monthly benefit will be granted every January 1<sup>st</sup> thereafter.



Lake Zurich Firefighters' Pension Fund  
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## ***SUMMARY OF PRINCIPAL PLAN PROVISIONS***

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### **REGULAR RETIREMENT PENSION BENEFIT - CONTINUED**

#### Hired on or After January 1, 2011

*Eligibility:* Age 55 with at least 10 years of creditable service.

*Benefit:* 2.5% of final average salary for each year of service, and not to exceed 75% of final average salary. "Final average salary" is determined by dividing the total pensionable salary during 48 consecutive months of service within the last 60 months of service in which total pensionable salary was the highest, by the number of months of service in that period (or by dividing the total pensionable salary during 96 consecutive months of service within the last 120 months of service in which total pensionable salary was the highest, by the number of months of service in that period, if greater). Annual salary for this purpose will not exceed the salary cap, indexed by the lesser of 3% or the CPI-U for the 12 months ending with the September preceding each November 1<sup>st</sup>. The salary cap will not decrease.

*Annual Increase in Benefit:* The initial increase date will be the latter of the January 1<sup>st</sup> after the pensioner turns age 60 or the January 1<sup>st</sup> after the benefit date anniversary. Subsequent increases will be granted every January 1<sup>st</sup> thereafter. The initial increase and subsequent increases will be the lesser of 3% of the original benefit or ½ of the CPI-U for the 12 months ending with the September preceding each November 1<sup>st</sup>.

### **EARLY RETIREMENT PENSION BENEFIT**

#### Hired Prior to January 1, 2011

None.

#### Hired on or After January 1, 2011

*Eligibility:* Age 50 with at least 10 years of creditable service.

*Benefit:* The regular retirement pension benefit reduced by ½ of 1% for each month that the firefighters' age is between 50 and 55.

*Annual Increase in Benefit:* The initial increase date will be the latter of the January 1<sup>st</sup> after the pensioner turns age 60 or the January 1<sup>st</sup> after the benefit date anniversary. Subsequent increases will be granted every January 1<sup>st</sup> thereafter. The initial increase and subsequent increases will be the lesser of 3% of the original benefit or ½ of the CPI-U for the 12 months ending with the September preceding each November 1<sup>st</sup>.



## ***SUMMARY OF PRINCIPAL PLAN PROVISIONS***

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### **SURVIVING SPOUSE BENEFIT**

#### Hired Prior to January 1, 2011

*Eligibility:* Married to an active firefighter, a disabled pensioner at the time of death, or a retired pensioner (at least 12 months prior to the time of death if married post-retirement).

*Active Line of Duty Death Benefit:* An eligible surviving spouse is entitled to receive 100% of the firefighter's final pensionable salary attached to rank held on the last day of service.

*Non-Duty Death Benefit:*

*Disabled or Retired Pensioner:* An eligible surviving spouse is entitled to receive the greater of the pensioner's benefit at the time of death or 54% of the pensioner's final pensionable salary attached to rank held on the last day of service.

*Active Member:* An eligible surviving spouse is entitled to receive the greater of the firefighter's eligible benefit at the time of death or 54% of the firefighter's final pensionable salary attached to rank held on the last day of service.

*Annual Increase in Benefit:* None.

#### Hired on or After January 1, 2011

*Eligibility:* Married to an active firefighter, a disabled pensioner at the time of death, or a retired pensioner (at least 12 months prior to the time of death if married post-retirement).

*Active Line of Duty Death Benefit:* An eligible surviving spouse is entitled to receive 100% of the firefighter's final pensionable salary attached to rank held on the last day of service.

*Non-Duty Death Benefit:*

*Disabled or Retired Pensioner and Active Member:* An eligible surviving spouse is entitled to receive the greater of 66⅔% of the firefighter's earned pension benefit at the time of death or 54% of the firefighter's monthly salary at the time of death.

*Annual Increase in Benefit:* The initial increase date will be the January 1<sup>st</sup> after the surviving spouse turns age 60. Subsequent increases will be granted every January 1<sup>st</sup> thereafter. The initial increase and subsequent increases will be the lesser of 3% of the original benefit or ½ of the CPI-U for the 12 months ending with the September preceding each November 1<sup>st</sup>.



Lake Zurich Firefighters' Pension Fund  
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## ***SUMMARY OF PRINCIPAL PLAN PROVISIONS***

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### **TERMINATION BENEFIT – VESTED**

#### Hired Prior to January 1, 2011

*Eligibility:* Age 60 with at least 10 but less than 20 years of creditable service.

*Benefit:* An accrual factor times final salary for each year of service. “Accrual factor” is a factor of 1.5% at 10 years of service, increasing ratably up to 2.4% at 19 years of service. “Final salary” is based on the firefighter’s pensionable salary attached to rank held on the last day of service.

*Annual Increase in Benefit:* A firefighter is entitled to receive an initial increase equal to 1/12 of 3% of the original monthly benefit for each full month that has passed since the pension began. The initial increase date will be the first day of the month after the benefit date anniversary. Subsequent increases of 3% of the current monthly benefit will be granted every January 1<sup>st</sup> thereafter.

#### Hired on or After January 1, 2011

None.



Lake Zurich Firefighters' Pension Fund  
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## ***SUMMARY OF PRINCIPAL PLAN PROVISIONS***

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### **DISABILITY BENEFIT**

#### Hired Prior to January 1, 2011

*Eligibility:* Duty Disability, Non-Duty Disability with at least 7 years of creditable service, or Occupational Disease Disability with at least 5 years of creditable service.

*Benefit:* For a duty disability or an occupational disease disability with at least 5 years of creditable service, a firefighter is entitled to receive the greater of 65% of final salary or the regular retirement pension benefit at the time of disability. For a non-duty disability with at least 7 years of creditable service, a firefighter is entitled to receive 50% of final salary. "Final salary" is based on the firefighter's pensionable salary attached to rank held on the last day of service.

*Annual Increase in Benefit:* A firefighter is entitled to receive an initial increase equal to 3% of the original monthly benefit for each full year that has passed since the pension began. The initial increase date will be the latter of the January 1<sup>st</sup> after following pensioner turns age 60 or the January 1<sup>st</sup> after the benefit date anniversary. Subsequent increases of 3% of the original monthly benefit will be granted every January 1<sup>st</sup> thereafter.

#### Hired on or after January 1, 2011

*Eligibility:* Duty Disability, Non-Duty Disability with at least 7 years of creditable service, or Occupational Disease Disability with at least 5 years of creditable service.

*Benefit:* For a duty disability or an occupational disease disability with at least 5 years of creditable service, a firefighter is entitled to receive the greater of 65% of final salary or the regular retirement pension benefit at the time of disability. For a non-duty disability, a firefighter is entitled to receive 50% of final salary. "Final salary" is based on the firefighter's pensionable salary attached to rank held on the last day of service.

*Annual Increase in Benefit:* A firefighter is entitled to receive an initial increase equal to 3% of the original monthly benefit for each full year that has passed since the pension began. The initial increase date will be the latter of the January 1<sup>st</sup> after following pensioner turns age 60 or the first day of the month after the benefit date anniversary. Subsequent increases of 3% of the original monthly benefit will be granted every January 1<sup>st</sup> thereafter.



Lake Zurich Firefighters' Pension Fund  
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## GLOSSARY OF TERMS

Glossary of Terms

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## ***GLOSSARY OF TERMS***

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### **GLOSSARY OF TERMS**

***Actuarial Accrued Liability*** – The Actuarial Present Value of future benefits based on Members’ service rendered to the Measurement Date using the selected Actuarial Cost Method. It is that portion of the Actuarial Present Value of Plan benefits and expenses allocated to prior years of employment. It is not provided for by future Normal Costs.

***Actuarial Cost Method*** – The method used to allocate the projected obligations of the Plan over the working lifetimes of the Plan Members.

***Actuarial Value of Assets*** – The value of the assets used in the determination of the Unfunded Actuarial Accrued Liability. The Actuarial Value of Assets is related to Market Value of Assets, with adjustments made to spread unanticipated gains and losses for a given year over a period of several years. Actuarial Value of Assets is generally equally likely to fall above or below the Market Value of Assets, and generally does not experience as much volatility over time as the Market Value of Assets.

***Asset Valuation Method*** – A valuation method designed to smooth random fluctuations in asset values. The objective underlying the use of an Asset Valuation Method is to provide for the long-term stability of Employer Contributions.

***Funding Policy*** – A set of procedures for a Pension Fund that outlines the “best practices” for funding the pension benefits based on the goals of the Plan Sponsor. A Funding Policy discusses items such as assumptions, Actuarial Cost Method, assets, and other parameters that will best help the Plan Sponsor meet their goal of working in the best interest of the Plan Members.

***Market Value of Assets*** – The value of the cash, bonds, securities, and other assets held in the pension trust as of the Measurement Date.

***Normal Cost*** – The present value of future benefits earned by Members during the current Fiscal Year. It is that portion of the Actuarial Present Value of benefits and expenses which is allocated to a valuation year by the Actuarial Cost Method.

***Unfunded Actuarial Accrued Liability*** – The excess of the Actuarial Accrued Liability over the Actuarial Value of Assets. The Unfunded Actuarial Accrued Liability is amortized over a period either in level dollar amounts or as a level percentage of projected payroll.





Lauterbach & Amen, LLP

CERTIFIED PUBLIC ACCOUNTANTS

VILLAGE OF LAKE ZURICH  
FIREFIGHTERS' PENSION FUND  
ACTUARIAL VALUATION  
AS OF JANUARY 1, 2021  
CONTRIBUTIONS APPLICABLE TO THE  
PLAN/FISCAL YEAR ENDING DECEMBER 31, 2022  
GASB 67/68 DISCLOSURE INFORMATION  
AS OF DECEMBER 31, 2020





April 8, 2021

Ms. Bane Thomey  
Finance Director and Treasurer  
Village of Lake Zurich  
70 East Main Street  
Lake Zurich, IL 60047

Re: Actuarial Valuation Report (including GASB Statements No. 67 and No. 68) – Village of Lake Zurich Firefighters' Pension Fund

Dear Ms. Thomey:

We are pleased to present to the Village this report of the annual actuarial valuation of the Village of Lake Zurich Firefighters' Pension Fund. Included are the related results for GASB Statements No. 67 and No. 68. The funding valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and to develop the appropriate funding requirements for the applicable plan year. The calculation of the liability for GASB results was performed for the purpose of satisfying the requirements of GASB Statements No. 67 and No. 68. Use of the results for other purposes may not be applicable and could produce significantly different results.

The valuation has been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflects laws and regulations issued to date pursuant to the provisions of Article 4, Illinois Pension Code, as well as applicable federal laws and regulations. In our opinion, the assumptions used in this valuation, as adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including: changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations. Due to the limited scope of the valuation, we did not perform an analysis of the potential range of such future measurements.

The funding percentages and unfunded accrued liability as measured based on the actuarial value of assets will differ from similar measures based on the market value of assets. These measures, as provided, are appropriate for determining the adequacy of future contributions, but may not be appropriate for the purpose of settling a portion or all of its liabilities.

In conducting the valuation, we have relied on personnel, plan design, and asset information supplied by the Village, financial reports prepared by the custodian bank and the actuarial assumptions and methods described in the Actuarial Assumptions section of this report. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report.

The total pension liability, net pension liability, and certain sensitivity information shown in the GASB results are based on an actuarial valuation performed as of the valuation date.

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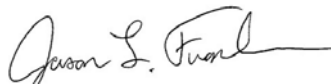
The undersigned are familiar with the immediate and long-term aspects of pension valuations and meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All of the sections of this report are considered an integral part of the actuarial opinions.

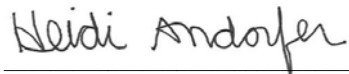
To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the Village of Lake Zurich, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the Village of Lake Zurich Firefighters' Pension Fund. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact us at 630-620-0200.

Respectfully submitted,

Foster & Foster, Inc.

By:   
Jason L. Franken, FSA, EA, MAAA

By:   
Heidi E. Andorfer, FSA, EA, MAAA

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Enclosures

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## SUMMARY OF REPORT

The regular annual actuarial valuation of the Village of Lake Zurich Firefighters' Pension Fund, performed as of January 1, 2021, has been completed and the results are presented in this Report. The contribution amounts set forth herein are applicable to the plan/fiscal year ended December 31, 2022.

The contribution requirements, compared with those set forth in the January 1, 2020 actuarial report, are as follows:

Valuation Date Applicable to Fiscal Year Ending	1/1/2021 <u>12/31/2022</u>	1/1/2020 <u>12/31/2021</u>
Total Recommended Contribution % of Projected Annual Payroll	\$2,990,618 56.0%	\$2,994,531 56.2%
Member Contributions (Est.) % of Projected Annual Payroll	504,802 9.5%	503,410 9.5%
Village Recommended Contribution % of Projected Annual Payroll	2,485,816 46.5%	2,491,121 46.7%

As you can see, the Total Recommended Contribution shows a slight decrease when compared to the results determined in the January 1, 2020 actuarial valuation report. The decrease is attributable to favorable plan experience and a decrease in the normal cost through a drop in active membership. The decrease was offset in part by the increase in the amortization payment due to the payroll growth assumption.

Plan experience was favorable overall on the basis of the plan's actuarial assumptions. The primary source of favorable experience was an investment return of 9.01% (Actuarial Asset Basis) which exceeded the 6.75% assumption. This gain was offset in part by a loss associated with an average salary increase of 4.78% which exceeded the 4.68% assumption.

## CHANGES SINCE PRIOR VALUATION

### Plan Changes Since Prior Valuation

There were no plan changes since the prior valuation.

### Actuarial Assumption/Method Changes Since Prior Valuation

There were no assumption or method changes since the prior valuation.



## COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	<u>1/1/2021</u>	<u>1/1/2020</u>
A. Participant Data		
Number Included		
Actives	51	53
Service Retirees	18	16
Beneficiaries	6	6
Disability Retirees	10	10
Terminated Vested	<u>2</u>	<u>2</u>
Total	87	87
Total Annual Payroll	\$5,338,995	\$5,324,271
Payroll Under Assumed Ret. Age	5,338,995	5,324,271
Annual Rate of Payments to:		
Service Retirees	1,376,546	1,179,180
Beneficiaries	47,995	47,953
Disability Retirees	564,408	551,601
Terminated Vested	9,946	9,946
B. Assets		
Actuarial Value	44,530,506	40,040,979
Market Value	48,430,770	41,507,749
C. Liabilities		
Present Value of Benefits		
Actives		
Retirement Benefits	35,821,673	35,981,689
Disability Benefits	3,184,285	3,275,860
Death Benefits	442,289	444,566
Vested Benefits	772,963	746,508
Service Retirees	25,781,541	22,178,711
Beneficiaries	544,500	552,263
Disability Retirees	9,947,840	9,898,698
Terminated Vested	<u>70,183</u>	<u>65,929</u>
Total	76,565,274	73,144,224

C. Liabilities - (Continued)	<u>1/1/2021</u>	<u>1/1/2020</u>
Present Value of Future Salaries	45,858,929	46,609,349
Present Value of Future Member Contributions	4,335,962	4,406,914
Normal Cost (Retirement)	944,543	973,580
Normal Cost (Disability)	228,195	237,746
Normal Cost (Death)	36,989	36,735
Normal Cost (Vesting)	<u>49,627</u>	<u>52,248</u>
Total Normal Cost	1,259,354	1,300,309
Present Value of Future Normal Costs	9,593,114	10,217,516
Accrued Liability (Retirement)	28,601,481	28,294,976
Accrued Liability (Disability)	1,490,247	1,461,305
Accrued Liability (Death)	130,225	125,821
Accrued Liability (Vesting)	406,143	349,005
Accrued Liability (Inactives)	<u>36,344,064</u>	<u>32,695,601</u>
Total Actuarial Accrued Liability	66,972,160	62,926,708
Unfunded Actuarial Accrued Liability (UAAL)	22,441,654	22,885,729
Funded Ratio (AVA / AL)	66.5%	63.6%

	<u>1/1/2021</u>	<u>1/1/2020</u>
D. Actuarial Present Value of Accrued Benefits		
Vested Accrued Benefits		
Inactives	36,344,064	32,695,601
Actives	16,023,179	15,839,660
Member Contributions	<u>5,748,975</u>	<u>5,658,985</u>
Total	58,116,218	54,194,246
Non-vested Accrued Benefits	<u>1,460,414</u>	<u>1,569,589</u>
Total Present Value Accrued Benefits	59,576,632	55,763,835
Funded Ratio (MVA / PVAB)	81.3%	74.4%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
Plan Experience	2,015,938	
Benefits Paid	(1,902,974)	
Interest	3,699,833	
Other	<u>0</u>	
Total	3,812,797	

Valuation Date	1/1/2021	1/1/2020
Applicable to Fiscal Year Ending	<u>12/31/2022</u>	<u>12/31/2021</u>
E. Pension Cost		
Normal Cost <sup>1</sup>	\$1,344,360	\$1,388,080
% of Total Annual Payroll <sup>1</sup>	25.2	26.1
Administrative Expenses <sup>1</sup>	64,740	49,037
% of Total Annual Payroll <sup>1</sup>	1.2	0.9
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 20 years (as of 1/1/2021) <sup>1</sup>	1,581,518	1,557,414
% of Total Annual Payroll <sup>1</sup>	29.6	29.2
Total Recommended Contribution	2,990,618	2,994,531
% of Total Annual Payroll <sup>1</sup>	56.0	56.2
Expected Member Contributions <sup>1</sup>	504,802	503,410
% of Total Annual Payroll <sup>1</sup>	9.5	9.5
Expected Village Contribution	2,485,816	2,491,121
% of Total Annual Payroll <sup>1</sup>	46.5	46.7
F. Past Contributions		
Plan Years Ending:	<u>12/31/2020</u>	
Total Recommended Contribution	2,881,774	
Village Requirement	2,373,133	
Actual Contributions Made:		
Members (excluding buyback)	508,641	
Village	<u>2,300,705</u>	
Total	2,809,346	
G. Net Actuarial (Gain)/Loss	(508,684)	

<sup>1</sup> Contributions developed as of 1/1/2021 displayed above have been adjusted to account for assumed interest.

## H. Schedule Illustrating the Amortization of the Total Unfunded Actuarial Accrued Liability as of:

<u>Year</u>	<u>Projected Unfunded Accrued Liability</u>
2021	22,441,654
2022	22,374,947
2023	22,248,385
2028	20,491,290
2032	17,257,020
2037	9,815,908
2041	0

## I. (i) 3 Year Comparison of Actual and Assumed Salary Increases

		<u>Actual</u>	<u>Assumed</u>
Year Ended	12/31/2020	4.78%	4.68%
Year Ended	12/31/2019	4.24%	4.83%
Year Ended	12/31/2018	4.57%	4.34%

## (ii) 3 Year Comparison of Investment Return on Actuarial Value

		<u>Actual</u>	<u>Assumed</u>
Year Ended	12/31/2020	9.01%	6.75%
Year Ended	12/31/2019	5.93%	6.75%
Year Ended	12/31/2018	4.11%	6.75%

## DEVELOPMENT OF JANUARY 1, 2021 AMORTIZATION PAYMENT

(1) Unfunded Actuarial Accrued Liability as of January 1, 2020	\$22,885,729
(2) Sponsor Normal Cost developed as of January 1, 2020	796,899
(3) Expected administrative expenses for the year ended December 31, 2020	45,936
(4) Expected interest on (1), (2) and (3)	1,600,128
(5) Sponsor contributions to the System during the year ended December 31, 2020	2,300,705
(6) Expected interest on (5)	77,649
(7) Expected Unfunded Actuarial Accrued Liability as of December 31, 2020, (1)+(2)+(3)+(4)-(5)-(6)	22,950,338
(8) Change to UAAL due to Benefits/Assumption Change	0
(9) Change to UAAL due to Actuarial (Gain)/Loss	(508,684)
(10) Unfunded Accrued Liability as of January 1, 2021	22,441,654
(11) UAAL Subject to Amortization (100% AAL less Actuarial Assets)	22,441,654

<u>Date Established</u>	<u>Years Remaining</u>	<u>1/1/2021 Amount</u>	<u>Amortization Amount</u>
1/1/2021	20	22,441,654	1,481,516

## DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1) Unfunded Actuarial Accrued Liability (UAAL) as of January 1, 2020	\$22,885,729
(2) Expected UAAL as of January 1, 2021	22,950,338
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	(912,492)
Salary Increases	265,141
Active Decrements	(228,214)
Inactive Mortality	79,059
Other	<u>287,822</u>
Change in UAAL due to (Gain)/Loss	(508,684)
Change to UAAL due to Benefits/Assumption Change	<u>0</u>
(4) Actual UAAL as of January 1, 2021	\$22,441,654

## RECONCILIATION OF CHANGES IN CONTRIBUTION REQUIREMENT

(1) Contribution Determined as of January 1, 2020	\$ 2,491,121
(2) Summary of Contribution Impact by component:	
Change in Normal Cost	(43,720)
Change in Assumed Administrative Expense	15,703
Investment Return (Actuarial Asset Basis)	(64,306)
Salary Increases	18,685
New Entrants	-
Active Decrements	(16,083)
Inactive Mortality	5,571
Contributions (More) or Less than Recommended	5,276
Increase in Amortization Payment Due to Payroll Growth Assumption	54,509
Change in Expected Member Contributions	1,392
Benefits/Assumption Change	-
Other	<u>17,668</u>
Total Change in Contribution	(5,305)
(3) Contribution Determined as of January 1, 2021	\$2,485,816



### STATUTORY MINIMUM REQUIRED CONTRIBUTION

Contribution requirements shown on this page are calculated according to statutory minimum funding requirements of the Illinois Pension Code. We do not believe this method is sufficient to fund future benefits; as such, we recommend funding according to the contributions developed in Section E of this report.

Valuation Date	1/1/2021	1/1/2020
Applicable to Fiscal Year Ending	<u>12/31/2022</u>	<u>12/31/2021</u>
Actuarial Accrued Liability (PUC)	65,510,680	61,757,409
Actuarial Value of Assets	<u>44,530,506</u>	<u>40,040,979</u>
Unfunded Actuarial Accrued Liability (UAAL)	20,980,174	21,716,430
UAAL Subject to Amortization	14,429,106	15,540,689
Normal Cost <sup>1</sup>	\$1,519,861	\$1,532,792
% of Total Annual Payroll <sup>1</sup>	28.5	28.8
Administrative Expenses <sup>1</sup>	64,740	49,037
% of Total Annual Payroll <sup>1</sup>	1.2	0.9
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 20 years (as of 1/1/2021) <sup>1</sup>	1,016,855	1,057,571
% of Total Annual Payroll <sup>1</sup>	19.0	19.9
Total Required Contribution	2,601,456	2,639,400
% of Total Annual Payroll <sup>1</sup>	48.7	49.6
Expected Member Contributions <sup>1</sup>	504,802	503,410
% of Total Annual Payroll <sup>1</sup>	9.5	9.5
Expected Village Contribution	2,096,654	2,135,990
% of Total Annual Payroll <sup>1</sup>	39.2	40.1

#### Assumptions and Methods:

Actuarial Cost Method	Projected Unit Credit
Amortization Method	90% Funding by 2040

All other assumptions and methods are as described in the Actuarial Assumptions and Methods section.

<sup>1</sup> Contributions developed as of 1/1/2021 displayed above have been adjusted to account for assumed interest.

## PROJECTION OF BENEFIT PAYMENTS

Year	Payments for Current Actives	Payments for Current Inactives	Total Payments
2021	239,059	1,987,496	2,226,555
2022	501,986	2,019,505	2,521,491
2023	752,319	2,090,330	2,842,649
2024	1,007,729	2,163,550	3,171,279
2025	1,253,405	2,235,684	3,489,089
2026	1,484,187	2,284,957	3,769,144
2027	1,697,180	2,334,524	4,031,704
2028	1,901,414	2,405,153	4,306,567
2029	2,084,445	2,508,859	4,593,304
2030	2,250,685	2,563,401	4,814,086
2031	2,407,096	2,617,413	5,024,509
2032	2,580,999	2,670,641	5,251,640
2033	2,750,059	2,723,086	5,473,145
2034	2,914,997	2,790,878	5,705,875
2035	3,091,424	2,841,321	5,932,745
2036	3,256,273	2,923,726	6,179,999
2037	3,443,704	2,971,000	6,414,704
2038	3,630,188	3,014,875	6,645,063
2039	3,818,555	3,054,643	6,873,198
2040	4,072,774	3,089,516	7,162,290
2041	4,281,280	3,118,610	7,399,890
2042	4,517,420	3,140,950	7,658,370
2043	4,718,667	3,155,486	7,874,153
2044	4,884,025	3,161,119	8,045,144
2045	5,085,850	3,156,729	8,242,579
2046	5,290,193	3,141,181	8,431,374
2047	5,465,951	3,113,338	8,579,289
2048	5,627,811	3,072,126	8,699,937
2049	5,745,545	3,016,543	8,762,088
2050	5,867,869	2,945,808	8,813,677
2051	5,945,416	2,859,405	8,804,821
2052	6,022,491	2,757,207	8,779,698
2053	6,056,120	2,639,518	8,695,638
2054	6,062,534	2,507,166	8,569,700
2055	6,044,539	2,361,466	8,406,005
2056	6,000,736	2,204,228	8,204,964
2057	5,930,800	2,037,709	7,968,509
2058	5,836,780	1,864,460	7,701,240
2059	5,717,790	1,687,383	7,405,173
2060	5,578,058	1,509,647	7,087,705

# ACTUARIAL ASSUMPTIONS AND METHODS

Interest Rate	6.75% per year compounded annually, net of investment related expenses. This is supported by the target asset allocation of the trust and the expected long-term return by asset class.
Mortality Rate	<p><b>Active Lives:</b>  PubS-2010 Employee mortality, projected 5 years past the valuation date with Scale MP-2020. 20% of active deaths are assumed to be in the line of duty.</p> <p><b>Inactive Lives:</b>  PubS-2010 Healthy Retiree mortality, projected 5 years past the valuation date with Scale MP-2020.</p> <p><b>Beneficiaries:</b>  PubS-2010 Survivor mortality, projected 5 years past the valuation date with Scale MP-2020.</p> <p><b>Disabled Lives:</b>  PubS-2010 Disabled mortality, projected 5 years past the valuation date with Scale MP-2020.</p> <p>The mortality assumptions sufficiently accommodate anticipated future mortality improvements.</p>
Retirement Age	See table later in this section. This is based on a 2017 experience study performed for the State of Illinois Department of Insurance.
Disability Rate	See table later in this section. 80% of the disabilities are assumed to be in the line of duty. This is based on a 2017 experience study performed for the State of Illinois Department of Insurance.
Termination Rate	See table later in this section. This is based on a 2017 experience study performed for the State of Illinois Department of Insurance.
Inflation	2.50%.
Cost-of-Living Adjustment	<p><u>Tier 1:</u> 3.00% per year after age 55. Those that retire prior to age 55 receive an increase of 1/12 of 3.00% for each full month since benefit commencement upon reaching age 55.</p> <p><u>Tier 2:</u> 1.25% per year after the later of attainment of age 60 or first anniversary of retirement.</p>

## Salary Increases

Graded schedule based on service. This is determined based on pay information from contracts between the Village and plan membership for years 2008 to 2020.

Salary Scale	
Service	Rate
0	18.00%
1-4	9.50%
5-7	5.50%
8	2.50%

## Marital Status

80% of Members are assumed to be married.

## Spouse's Age

Males are assumed to be three years older than females.

## Funding Method

Entry Age Normal Cost Method.

## Actuarial Asset Method

Investment gains and losses are smoothed over a 5-year period.

## Funding Policy Amortization Method

The UAAL is amortized according to a Level Percentage of Payroll method over a period ending in 2041. The initial amortization amount is 100% of the Accrued Liability less the Actuarial Value of Assets.

## Payroll Growth

3.50% per year.

## Administrative Expenses

Expenses paid out of the fund other than investment-related expenses are assumed to be equal to those paid in the previous year.

## Decrement Tables

% Terminating During the Year		% Becoming Disabled During the Year		% Retiring During the Year (Tier 1)		% Retiring During the Year (Tier 2)	
Age	Rate	Age	Rate	Age	Rate	Age	Rate
20	7.00%	20	0.010%	50-51	10%	50-54	3%
25	5.80%	25	0.016%	52-53	12%	55	30%
30	3.50%	30	0.068%	54-55	15%	56-59	20%
35	1.75%	35	0.220%	56-59	20%	60-62	25%
40	1.10%	40	0.420%	60-62	25%	63-64	33%
45	1.00%	45	0.650%	63-64	33%	65-69	50%
50	1.00%	50	0.900%	65-69	50%	70+	100%
55+	0.00%	55	1.240%	70+	100%		
		60	1.580%				

## GLOSSARY

Total Annual Payroll is the projected annual rate of pay for the fiscal year following the valuation date of all covered members.

Present Value of Benefits is the single sum value on the valuation date of all future benefits to be paid to current Members, Retirees, Beneficiaries, Disability Retirees and Vested Terminations.

Normal (Current Year's) Cost is the current year's cost for benefits yet to be funded.

Unfunded Accrued Liability is a liability which arises when a pension plan is initially established or improved and such establishment or improvement is applicable to all years of past service.

Total Recommended Contribution is equal to the Normal Cost plus an amount sufficient to amortize the Unfunded Accrued Liability over a period ending in 2041. The recommended amount is adjusted for interest according to the timing of contributions during the year.

Entry Age Normal Cost Method - Under this method, the normal cost is the sum of the individual normal costs for all active participants. For an active participant, the normal cost is the participant's normal cost accrual rate, multiplied by the participant's current compensation.

- (a) The normal cost accrual rate equals:
  - (i) the present value of future benefits for the participant, determined as of the participant's entry age, divided by
  - (ii) the present value of the compensation expected to be paid to the participant for each year of the participant's anticipated future service, determined as of the participant's entry age.
- (b) In calculating the present value of future compensation, the salary scale is applied both retrospectively and prospectively to estimate compensation in years prior to and subsequent to the valuation year based on the compensation used for the valuation.
- (c) The accrued liability is the sum of the individual accrued liabilities for all participants and beneficiaries. A participant's accrued liability equals the present value, at the participant's attained age, of future benefits less the present value at the participant's attained age of the individual normal costs payable in the future. A beneficiary's accrued liability equals the present value, at the beneficiary's attained age, of future benefits. The unfunded accrued liability equals the total accrued liability less the actuarial value of assets.
- (d) Under this method, the entry age used for each active participant is the participant's age at the time he or she would have commenced participation if the plan had always been in existence under current terms, or the age as of which he or she first earns service credits for purposes of benefit accrual under the current terms of the plan.

## DISCUSSION OF RISK

ASOP No. 51, Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions, states that the actuary should identify risks that, in the actuary's professional judgment, may reasonably be anticipated to significantly affect the plan's future financial condition.

Throughout this report, actuarial results are determined under various assumption scenarios. These results are based on the premise that all future plan experience will align with the plan's actuarial assumptions; however, there is no guarantee that actual plan experience will align with the plan's assumptions. It is possible that actual plan experience will differ from anticipated experience in an unfavorable manner that will negatively impact the plan's funded position.

Below are examples of ways in which plan experience can deviate from assumptions and the potential impact of that deviation. Typically, this results in an actuarial gain or loss representing the current-year financial impact on the plan's unfunded liability of the experience differing from assumptions; this gain or loss is amortized over a period of time determined by the plan's amortization method. When assumptions are selected that adequately reflect plan experience, gains and losses typically offset one another in the long term, resulting in a relatively low impact on the plan's contribution requirements associated with plan experience. When assumptions are too optimistic, losses can accumulate over time and the plan's amortization payment could potentially grow to an unmanageable level.

- Investment Return: When the rate of return on the Actuarial Value of Assets falls short of the assumption, this produces a loss representing assumed investment earnings that were not realized. Further, it is unlikely that the plan will experience a scenario that matches the assumed return in each year as capital markets can be volatile from year to year. Therefore, contribution amounts can vary in the future.
- Salary Increases: When a plan participant experiences a salary increase that was greater than assumed, this produces a loss representing the cost of an increase in anticipated plan benefits for the participant as compared to the previous year. The total gain or loss associated with salary increases for the plan is the sum of salary gains and losses for all active participants.
- Payroll Growth: The plan's payroll growth assumption, if one is used, causes a predictable annual increase in the plan's amortization payment in order to produce an amortization payment that remains constant as a percentage of payroll if all assumptions are realized. If payroll does not increase according to the plan's payroll growth assumption, the plan's amortization payment can increase significantly as a percentage of payroll even if all assumptions other than the payroll growth assumption are realized.
- Demographic Assumptions: Actuarial results take into account various potential events that could happen to a plan participant, such as retirement, termination, disability, and death. Each of these potential events is assigned a liability based on the likelihood of the event and the financial consequence of the event for the plan. Accordingly, actuarial liabilities reflect a blend of financial consequences associated with various possible outcomes (such as retirement at one of various possible ages). Once the outcome is known (e.g. the participant retires) the liability is adjusted to reflect the known outcome. This adjustment produces a gain or loss depending on whether the outcome was more or less favorable than other outcomes that could have occurred.

- Contribution Risk: This risk results from the potential that actual employer contributions may deviate from actuarially determined contributions, which are determined in accordance with the Board's funding policy. The funding policy is intended to result in contribution requirements that if paid when due, will result in a reasonable expectation that assets will accumulate to be sufficient to pay plan benefits when due. Contribution deficits, particularly large deficits and those that occur repeatedly, increase future contribution requirements and put the plan at risk for not being able to pay plan benefits when due.

#### Impact of Plan Maturity on Risk

For newer pension plans, most of the participants and associated liabilities are related to active members who have not yet reached retirement age. As pension plans continue in operation and active members reach retirement ages, liabilities begin to shift from being primarily related to active members to being shared amongst active and retired members. Plan maturity is a measure of the extent to which this shift has occurred. It is important to understand that plan maturity can have an impact on risk tolerance and the overall risk characteristics of the plan. For example, plans with a large amount of retired liability do not have as long of a time horizon to recover from losses (such as losses on investments due to lower than expected investment returns) as plans where the majority of the liability is attributable to active members. For this reason, less tolerance for investment risk may be warranted for highly mature plans with a substantial inactive liability. Similarly, mature plans paying substantial retirement benefits resulting in a small positive or net negative cash flow can be more sensitive to near term investment volatility, particularly if the size of the fund is shrinking, which can result in less assets being available for investment in the market.

To assist with determining the maturity of the plan, we have provided some relevant metrics in the table following titled "Plan Maturity Measures and Other Risk Metrics". Highlights of this information are discussed below:

- The Support Ratio, determined as the ratio of active to inactive members, has decreased from 189.3% on January 1, 2018 to 141.7% on January 1, 2021, indicating that the plan has been rapidly maturing.
- The Accrued Liability Ratio, determined as the ratio of the Inactive Accrued Liability, which is the liability associated with members who are no longer employed but are due a benefit from the plan, to the Total Accrued Liability, is 54.3%. With a plan of this maturity, losses due to lower than expected investment returns or demographic factors can be made up over a longer time horizon than would be needed for a more mature plan.
- The Funded Ratio, determined as the ratio of the Actuarial Value of Assets to the Total Accrued Liability, has increased from 64.4% on January 1, 2018 to 66.5% on January 1, 2021, due mainly to the strong investment returns.
- The Net Cash Flow Ratio, determined as the ratio of the Net Cash Flow (contributions minus benefit payments and administrative expenses) to the Market Value of Assets, decreased from 4.6% on January 1, 2018 to 1.7% on January 1, 2021. The current Net Cash Flow Ratio of 1.7% indicates that contributions are generally covering the plan's benefit payments and administrative expenses.

It is important to note that the actuary has identified the risks above as the most significant risks based on the characteristics of the plan and the nature of the project, however, it is not an exhaustive list of potential risks that could be considered. Additional advanced modeling, as well as the identification of additional risks, can be provided at the request of the audience addressed on page 2 of this report.



## PLAN MATURITY MEASURES AND OTHER RISK METRICS

	<u>1/1/2018</u>	<u>1/1/2019</u>	<u>1/1/2020</u>	<u>1/1/2021</u>
<u>Support Ratio</u>				
Total Actives	53	53	53	51
Total Inactives	28	33	34	36
Actives / Inactives	189.3%	160.6%	155.9%	141.7%
<u>Asset Volatility Ratio</u>				
Market Value of Assets (MVA)	34,344,979	34,184,604	41,507,749	48,430,770
Total Annual Payroll	5,208,600	5,214,441	5,324,271	5,338,995
MVA / Total Annual Payroll	659.4%	655.6%	779.6%	907.1%
<u>Accrued Liability (AL) Ratio</u>				
Inactive Accrued Liability	21,553,434	28,795,135	32,695,601	36,344,064
Total Accrued Liability	53,144,969	59,187,569	62,926,708	66,972,160
Inactive AL / Total AL	40.6%	48.7%	52.0%	54.3%
<u>Funded Ratio</u>				
Actuarial Value of Assets (AVA)	34,218,284	37,047,130	40,040,979	44,530,506
Total Accrued Liability	53,144,969	59,187,569	62,926,708	66,972,160
AVA / Total Accrued Liability	64.4%	62.6%	63.6%	66.5%
<u>Net Cash Flow Ratio</u>				
Net Cash Flow <sup>1</sup>	1,581,995	1,393,883	775,383	845,726
Market Value of Assets (MVA)	34,344,979	34,184,604	41,507,749	48,430,770
Ratio	4.6%	4.1%	1.9%	1.7%

<sup>1</sup> Determined as total contributions minus benefit payments and administrative expenses.

STATEMENT OF FIDUCIARY NET POSITION  
December 31, 2020

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Certificates of Deposit	808,704
Money Market	723,389
Cash and Cash Equivalents	3,320
Total Cash and Equivalents	1,535,413
Receivables:	
Prepays	2,785
Accrued Past Due Interest	107,028
Total Receivable	109,813
Investments:	
Municipal Obligations	1,944,103
Corporate Bonds	2,925,630
U.S. Gov't and Agency Obligations	12,544,715
Insurance Company Contracts	209,570
Mutual Funds	29,186,449
Total Investments	46,810,467
Total Assets	48,455,693
<u>LIABILITIES</u>	
Liabilities:	
Payable:	
Expenses	24,923
Total Liabilities	24,923
Net Assets:	
Active and Retired Members' Equity	48,430,770
NET POSITION RESTRICTED FOR PENSIONS	48,430,770
TOTAL LIABILITIES AND NET ASSETS	48,455,693

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED December 31, 2020  
Market Value Basis

ADDITIONS

Contributions:

Member	508,641
Village	2,300,705

Total Contributions	2,809,346
---------------------	-----------

Investment Income:

Net Increase in Fair Value of Investments	4,989,806
Interest & Dividends	1,170,478
Less Investment Expense <sup>1</sup>	(82,989)

Net Investment Income	6,077,295
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Total Additions	8,886,641
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DEDUCTIONS

Distributions to Members:

Benefit Payments	1,902,974
Refund of Contributions/Transfers	0

Total Distributions	1,902,974
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Administrative Expenses	60,646
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Total Deductions	1,963,620
------------------	-----------

Net Increase in Net Position	6,923,021
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NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year	41,507,749
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End of the Year	48,430,770
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<sup>1</sup> Investment Related expenses include investment advisory, custodial and performance monitoring fees.

# ACTUARIAL ASSET VALUATION

December 31, 2020

Actuarial Assets for funding purposes are developed by recognizing the total actuarial investment gain or loss for each Plan Year over a five year period. In the first year, 20% of the gain or loss is recognized. In the second year 40%, in the third year 60%, in the fourth year 80%, and in the fifth year 100% of the gain or loss is recognized. The actuarial investment gain or loss is defined as the actual return on investments minus the actuarial assumed investment return. Actuarial Assets shall not be less than 80% nor greater than 120% of the Market Value of Assets.

Plan Year Ending	Gain/(Loss)	Gains/(Losses) Not Yet Recognized				
		Amounts Not Yet Recognized by Valuation Year				
		2021	2022	2023	2024	2025
12/31/2017	1,710,183	342,037	0	0	0	0
12/31/2018	(3,919,588)	(1,567,835)	(783,918)	0	0	0
12/31/2019	4,214,132	2,528,479	1,685,653	842,826	0	0
12/31/2020	3,246,979	2,597,583	1,948,187	1,298,792	649,396	0
Total		3,900,264	2,849,922	2,141,618	649,396	0

## Development of Investment Gain/Loss

Market Value of Assets, 12/31/2019	41,507,749
Contributions Less Benefit Payments & Administrative Expenses	845,726
Expected Investment Earnings <sup>1</sup>	2,830,316
Actual Net Investment Earnings	6,077,295
2020 Actuarial Investment Gain/(Loss)	3,246,979

<sup>1</sup> Expected Investment Earnings = 6.75% x (41,507,749 + 0.5 x 845,726)

## Development of Actuarial Value of Assets

Market Value of Assets, 12/31/2020	48,430,770
(Gains)/Losses Not Yet Recognized	(3,900,264)
Actuarial Value of Assets, 12/31/2020	44,530,506
(A) 12/31/2019 Actuarial Assets:	40,040,979
(I) Net Investment Income:	
1. Interest and Dividends	1,170,478
2. Realized Gains (Losses)	0
3. Change in Actuarial Value	2,556,312
4. Investment Expenses	(82,989)
Total	3,643,801
(B) 12/31/2020 Actuarial Assets:	44,530,506
Actuarial Asset Rate of Return = (2 x I) / (A + B - I):	9.01%
Market Value of Assets Rate of Return:	14.49%
12/31/2020 Limited Actuarial Assets:	44,530,506
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)	912,492

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
December 31, 2020  
Actuarial Asset Basis

INCOME		
Contributions:		
Member	508,641	
Village	2,300,705	
Total Contributions		2,809,346
Earnings from Investments		
Interest & Dividends	1,170,478	
Change in Actuarial Value	2,556,312	
Total Earnings and Investment Gains		3,726,790
EXPENSES		
Administrative Expenses:		
Investment Related <sup>1</sup>	82,989	
Other	60,646	
Total Administrative Expenses		143,635
Distributions to Members:		
Benefit Payments	1,902,974	
Refund of Contributions/Transfers	0	
Total Distributions		1,902,974
Change in Net Assets for the Year		4,489,527
Net Assets Beginning of the Year		40,040,979
Net Assets End of the Year <sup>2</sup>		44,530,506

<sup>1</sup> Investment Related expenses include investment advisory, custodial and performance monitoring fees.

<sup>2</sup> Net Assets may be limited for actuarial consideration.

## STATISTICAL DATA

	<u>1/1/2018</u>	<u>1/1/2019</u>	<u>1/1/2020</u>	<u>1/1/2021</u>
<u>Actives - Tier 1</u>				
Number	40	36	33	31
Average Current Age	49.2	49.9	50.6	51.3
Average Age at Employment	29.0	29.4	29.5	29.7
Average Past Service	20.2	20.5	21.1	21.6
Average Annual Salary	\$102,533	\$104,981	\$109,009	\$112,849
<u>Actives - Tier 2</u>				
Number	13	17	20	20
Average Current Age	34.1	33.3	33.0	34.0
Average Age at Employment	30.1	28.9	28.3	28.3
Average Past Service	4.0	4.4	4.7	5.7
Average Annual Salary	\$85,176	\$84,419	\$86,349	\$92,034
<u>Service Retirees</u>				
Number	8	13	16	18
Average Current Age	55.9	55.3	55.7	56.6
Average Annual Benefit	\$67,321	\$71,225	\$73,699	\$76,475
<u>Beneficiaries</u>				
Number	8	8	6	6
Average Current Age	18.9	19.9	21.7	22.7
Average Annual Benefit	\$6,051	\$6,058	\$7,992	\$7,999
<u>Disability Retirees</u>				
Number	9	9	10	10
Average Current Age	51.6	52.6	53.7	54.7
Average Annual Benefit	\$54,617	\$56,452	\$55,160	\$56,441
<u>Terminated Vested</u>				
Number	3	3	2	2
Average Current Age	46.9	39.7	35.8	36.8
Average Annual Benefit <sup>1</sup>	\$47,525	\$46,892	\$9,946	\$9,946

<sup>1</sup> Average Annual Benefit for Terminated Vested members reflects the benefit for members entitled to a future annual benefit from the plan.

## AGE AND SERVICE DISTRIBUTION

## PAST SERVICE

AGE	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	Total
15 - 19	0	0	0	0	0	0	0	0	0	0	0	0
20 - 24	0	1	0	0	0	0	0	0	0	0	0	1
25 - 29	0	1	2	0	0	0	0	0	0	0	0	3
30 - 34	0	0	3	0	0	3	0	0	0	0	0	6
35 - 39	0	0	0	0	1	7	4	1	0	0	0	13
40 - 44	0	0	0	0	0	1	0	0	0	0	0	1
45 - 49	0	0	0	0	0	0	0	5	1	0	0	6
50 - 54	0	0	0	0	0	2	0	0	3	4	1	10
55 - 59	0	0	0	0	0	1	0	2	1	3	1	8
60 - 64	0	0	0	0	0	0	0	0	0	2	1	3
65+	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	2	5	0	1	14	4	8	5	9	3	51

## VALUATION PARTICIPANT RECONCILIATION

## 1. Active lives

a. Number in prior valuation 1/1/2020	53
b. Terminations	
i. Vested (partial or full) with deferred benefits	0
ii. Non-vested or full lump sum distribution received	0
iii. Transferred service to other fund	0
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	(2)
f. Continuing participants	51
g. New entrants	0
h. Total active life participants in valuation	51

## 2. Non-Active lives (including beneficiaries receiving benefits)

	Service Retirees, Vested Receiving <u>Benefits</u>	Receiving Death <u>Benefits</u>	Receiving Disability <u>Benefits</u>	Vested <u>Deferred</u>	<u>Total</u>
a. Number prior valuation	16	6	10	2	34
Retired	2	0	0	0	2
Vested Deferred	0	0	0	0	0
Death, With Survivor	0	0	0	0	0
Death, No Survivor	0	0	0	0	0
Disabled	0	0	0	0	0
Refund of Contributions	0	0	0	0	0
Rehires	0	0	0	0	0
Expired Annuities	0	0	0	0	0
Data Corrections	0	0	0	0	0
Hired/Termed in Same Year	0	0	0	0	0
b. Number current valuation	18	6	10	2	36



## SUMMARY OF CURRENT PLAN

Article 4 Pension Fund

The Plan is established and administered as prescribed by “Article 4. Firefighters’ Pension Fund – Municipalities 500,000 and Under” of the Illinois Pension Code.

Plan Administration

The Plan is a single employer defined benefit pension plan administered by a Board of Trustees comprised of:

- a.) Two members appointed by the Municipality,
- b.) Two active Members of the Fire Department elected by the Membership, and
- c.) One retired Member of the Fire Department elected by the Membership.

Credited Service

Years and fractional parts of years of service (except as noted below) as a sworn Firefighter employed by the Municipality.

Salary

Annual salary, including longevity, attached to firefighter’s rank, as established by the municipality appropriation ordinance, excluding overtime pay, bonus pay and holiday pay except for the base 8 hours of the 10 pensionable holidays which is included.

For Tier 2 participants, the salary is capped at a rate of \$106,800 as of 2011, indexed annually at a rate of CPI-U, but not to exceed 3.00%.

Normal Retirement

## Date

**Tier 1:** Age 50 and 20 years of Credited Service.

**Tier 2:** Age 55 and 10 years of Credited Service.

## Benefit

**Tier 1:** 50% of annual salary attached to rank on last day of service plus 2.50% of annual salary for each year of service over 20 years, up to a maximum of 75% of salary. The minimum monthly benefit is \$1,159.27 per month.

**Tier 2:** 2.50% per year of service times the average salary for the 48 consecutive months of service within the last 60 months of service in which the total salary was the highest prior to retirement times the number of years of service, up to a maximum of 75% of average salary. The minimum monthly benefit is \$1,159.27 per month.

## Form of Benefit

**Tier 1:** For married retirees, an annuity payable for the life of the Member; upon the death of the member, 100% of the Member’s benefit payable to the spouse until death. For unmarried retirees, the normal form is a Single Life Annuity.

**Tier 2:** Same as above, but with 66 2/3% of benefit continued to spouse.

Early Retirement

Date	<p><b>Tier 1:</b> Age 60 and 10 years of Credited Service.</p> <p><b>Tier 2:</b> Age 50 and 10 years of Credited Service.</p>
Benefit	<p><b>Tier 1:</b> 1.50% plus 0.10% for each year of service in excess of 10 years, times salary x service (complete years).</p> <p><b>Tier 2:</b> Normal Retirement Benefit, reduced 6.00% for each year before age 55, with no minimum benefit.</p>
Form of Benefit	Same as Normal Retirement.

Disability Benefit

Eligibility	Total and permanent as determined by the Board of Trustees. Seven years of service required for non-service connected disability.
Benefit Amount	<p>A maximum of:</p> <ul style="list-style-type: none"> <li>a.) 65% of salary attached to the rank held by Member on last day of service, and;</li> <li>b.) The monthly retirement pension that the Member is entitled to receive if he or she retired immediately.</li> </ul>

For non-service connected disabilities, a benefit of 50% of salary attached to rank held by Member on last day of service.

Cost-of-Living Adjustment**Tier 1:**

*Retirees:* An annual increase equal to 3.00% per year after age 55. Those that retire prior to age 55 receive an increase of 1/12 of 3.00% for each full month since benefit commencement upon reaching age 55.

*Disabled Retirees:* An annual increase equal to 3.00% per year of the original benefit amount beginning at age 60. Those that become disabled prior to age 60 receive an increase of 3.00% of the original benefit amount for each year since benefit commencement upon reaching age 60.

**Tier 2:** An annual increase each January 1 equal to 3.00% per year or one-half of the annual unadjusted percentage increase in the consumer price index-u for the 12 months ending with the September preceding each November 1, whichever is less, of the original pension after the attainment of age 60 or first anniversary of pension start date whichever is later.

Pre-Retirement Death Benefit

Service Incurred	100% of salary attached to rank held by Member on last day of service.
Non-Service Incurred	A maximum of: <ul style="list-style-type: none"> <li>a.) 54% of salary attached to the rank held by Member on last day of service, and;</li> <li>b.) The monthly retirement pension earned by the deceased Member at the time of death, regardless of whether death occurs before or after age 50.</li> </ul>

Vesting (Termination)

Vesting Service Requirement	10 years.
Non-Vested Benefit	Refund of Member Contributions.
Vested Benefit	Either the termination benefit, payable upon reaching age 60 (55 for Tier 2), provided contributions are not withdrawn, or a refund of member contributions.
Termination Benefit	Based on the monthly salary attached to the Member's rank at separation from service and equals: <p><b>Tier 1:</b> 1.50% plus 0.10% for each year of service in excess of 10 years, times salary x service (based on complete years).</p> <p><b>Tier 2:</b> 2.50% of 8-year final average salary times creditable service.</p>

Contributions

Employee	9.455% of Salary.
Municipality	Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability.

## GASB 67/68

## SUMMARY

Valuation Date	1/1/2021	1/1/2020
Measurement Date	12/31/2020	12/31/2019
Plan Membership:		
Inactives Currently Receiving Benefits	34	32
Inactives Not Yet Receiving Benefits	2	2
Active Plan Members	<u>51</u>	<u>53</u>
Total	87	87
Covered Payroll	\$ 5,338,995	\$ 5,324,271
Net Pension Liability		
Total Pension Liability	\$ 66,518,564	\$ 62,490,061
Plan Fiduciary Net Position	<u>48,430,770</u>	<u>41,507,749</u>
Net Pension Liability	\$ 18,087,794	\$ 20,982,312
Plan Fiduciary Net Position		
As a Percentage of Total Pension Liability	72.81%	66.42%
Net Pension Liability		
As a Percentage of Covered Payroll	338.79%	394.09%
Total Pension Expense	\$ 2,124,147	\$ 3,130,414
Development of Single Discount Rate		
Single Discount Rate	6.75%	6.75%
Long-Term Expected Rate of Return	6.75%	6.75%
High-quality Municipal Bond Rate	1.93%	3.26%
Number of Years Future Benefit Payments		
Are Expected to be Paid	99	99

## GASB 67

SCHEDULE OF CHANGES IN NET PENSION LIABILITY  
PLAN AND VILLAGE REPORTING

GASB 68 Reporting Period Ending	12/31/2020	12/31/2019
Measurement Date	12/31/2020	12/31/2019
Total Pension Liability		
Service Cost	1,325,498	1,290,345
Interest	4,243,325	3,986,763
Changes of Benefit Terms	-	121,794
Differences Between Expected and Actual Experience	362,654	302,107
Changes of Assumptions	-	-
Benefit Payments, Including Refunds of Employee Contributions	(1,902,974)	(1,967,507)
Net Change in Total Pension Liability	4,028,503	3,733,502
Total Pension Liability - Beginning	62,490,061	58,756,559
Total Pension Liability - Ending (a)	\$ 66,518,564	\$ 62,490,061
Plan Fiduciary Net Position		
Contributions - Employer	2,300,705	2,290,246
Contributions - Employee	508,641	498,580
Net Investment Income	6,077,295	6,547,762
Benefit Payments, Including Refunds of Employee Contributions	(1,902,974)	(1,967,507)
Administrative Expense	(60,646)	(45,936)
Net Change in Plan Fiduciary Net Position	6,923,021	7,323,145
Plan Fiduciary Net Position - Beginning	41,507,749	34,184,604
Plan Fiduciary Net Position - Ending (b)	\$ 48,430,770	\$ 41,507,749
Net Pension Liability - Ending (a) - (b)	\$ 18,087,794	\$ 20,982,312
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.81%	66.42%
Covered Payroll	\$ 5,338,995	\$ 5,324,271
Net Pension Liability as a Percentage of Covered Payroll	338.79%	394.09%

## GASB 68

STATEMENT OF CHANGES IN NET PENSION LIABILITY  
VILLAGE REPORTING

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances at December 31, 2019	\$ 62,490,061	\$ 41,507,749	\$ 20,982,312
Changes for a Year:			
Service Cost	1,325,498	-	1,325,498
Interest	4,243,325	-	4,243,325
Differences Between Expected and Actual Experience	362,654	-	362,654
Changes of Assumptions	-	-	-
Changes of Benefit Terms	-	-	-
Contributions - Employer	-	2,300,705	(2,300,705)
Contributions - Employee	-	508,641	(508,641)
Net Investment Income	-	6,077,295	(6,077,295)
Benefit Payments, Including Refunds of Employee Contributions	(1,902,974)	(1,902,974)	-
Administrative Expense	-	(60,646)	60,646
Net Changes	4,028,503	6,923,021	(2,894,518)
Balances at December 31, 2020	\$ 66,518,564	\$ 48,430,770	\$ 18,087,794

*Sensitivity of Net Pension Liability to changes in the Discount Rate:*

	Current Discount		
	1% Decrease	Rate	1% Increase
	5.75%	6.75%	7.75%
Sponsor's Net Pension Liability	\$ 28,518,579	\$ 18,087,794	\$ 9,659,204

*Pension Plan Fiduciary Net Position*

Detailed information about the Pension Plan's Fiduciary Net Position is available in a separately issued Plan financial report.

## GASB 68

PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF  
RESOURCES RELATED TO PENSIONS  
YEAR-END DECEMBER 31, 2020

For the year ended December 31, 2020, the Sponsor will recognize a pension expense of \$2,124,147. On December 31, 2020, the Sponsor reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	1,868,893	1,434,678
Changes of assumptions	733,632	980,940
Net difference between projected and actual earnings on pension plan investments	0	3,663,408
Total	\$2,602,525	\$6,079,026

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year-ended December 31:	
2021	(\$835,048)
2022	(\$902,989)
2023	(\$1,686,907)
2024	(\$198,331)
2025	\$94,966
Thereafter	\$51,808

## GASB 68

COMPONENTS OF PENSION EXPENSE  
YEAR-END DECEMBER 31, 2020

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning Balance	\$ 20,982,312	\$ 7,276,202	\$ 6,517,661	
Total Pension Liability Factors:				
Service Cost	1,325,498	-	-	1,325,498
Interest	4,243,325	-	-	4,243,325
Changes in Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience With Regard to Economic or Demographic Assumptions	362,654	-	362,654	-
Current Year Amortization	-	(478,226)	(521,235)	43,009
Changes in Assumptions About Future Economic or Demographic Factors or Other Inputs	-	-	-	-
Current Year Amortization	-	(326,980)	(651,937)	324,957
Benefit Payments, Including Refunds of Employee Contributions	(1,902,974)	-	-	-
Net Change	4,028,503	(805,206)	(810,518)	5,936,789
Plan Fiduciary Net Position:				
Contributions - Employer	2,300,705	-	-	-
Contributions - Employee	508,641	-	-	(508,641)
Projected Net Investment Income	2,830,316	-	-	(2,830,316)
Difference Between Projected and Actual Earnings on Pension Plan Investments	3,246,979	3,246,979	-	-
Current Year Amortization	-	(1,834,258)	(1,299,927)	(534,331)
Benefit Payments, Including Refunds of Employee Contributions	(1,902,974)	-	-	-
Administrative Expenses	(60,646)	-	-	60,646
Net Change	6,923,021	1,412,721	(1,299,927)	(3,812,642)
Ending Balance	\$ 18,087,794	\$ 7,883,717	\$ 4,407,216	\$ 2,124,147



## GASB 68

## AMORTIZATION SCHEDULE – EXPERIENCE

Increase (Decrease) in Pension Expense Arising from the Recognition of the  
Effects of Differences between Expected and Actual Experience

Year Base Established	Differences Between Expected and Actual Experience	Recognition Period (Years)	2020	2021	2022	2023	2024	Thereafter
2020	\$ 362,654	7	\$ 51,806	\$ 51,808	\$ 51,808	\$ 51,808	\$ 51,808	\$ 103,616
2019	\$ 302,107	7	\$ 43,158	\$ 43,158	\$ 43,158	\$ 43,158	\$ 43,158	\$ 43,158
2018	\$ 1,482,142	7	\$ 211,735	\$ 211,735	\$ 211,735	\$ 211,735	\$ 211,735	\$ -
2017	\$ 1,116,190	7	\$ 159,456	\$ 159,456	\$ 159,456	\$ 159,456	\$ -	\$ -
CY2016 <sup>1</sup>	\$ (3,347,579)	7	\$ (478,226)	\$ (478,226)	\$ (478,226)	\$ (478,226)	\$ -	\$ -
FY2016 <sup>1</sup>	\$ 305,055	4.8	\$ 55,080	\$ 16,947	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			43,009	4,878	(12,069)	(12,069)	306,701	146,774

<sup>1</sup> Beginning with the December 31, 2016 disclosure, the plan year changed from fiscal years ending on each April 30th to calendar years

## GASB 68

## AMORTIZATION SCHEDULE – CHANGES OF ASSUMPTIONS

Increase (Decrease) in Pension Expense Arising from the Recognition of the  
Effects of Changes of Assumptions

Year Base Established	Effects of Changes in Assumptions	Recognition Period (Years)	2020	2021	2022	2023	2024	Thereafter
2018	\$ 1,010,548	7	\$ 144,364	\$ 144,364	\$ 144,364	\$ 144,364	\$ 144,364	\$ -
2017	\$ (2,288,858)	7	\$ (326,980)	\$ (326,980)	\$ (326,980)	\$ (326,980)	\$ -	\$ -
FY2016 <sup>1</sup>	\$ 2,811,180	4.8	\$ 507,573	\$ 156,176	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ 324,957	\$ (26,440)	\$ (182,616)	\$ (182,616)	\$ 144,364	\$ -

<sup>1</sup> Beginning with the December 31, 2016 disclosure, the plan year changed from fiscal years ending on each April 30th to calendar years

## GASB 68

## AMORTIZATION SCHEDULE – INVESTMENTS

Increase (Decrease) in Pension Expense Arising from the Recognition of the Differences Between Projected and Actual Earnings on Pension Plan Investments									
Year Base Established	Differences Between Projected and Actual Earnings	Recognition Period (Years)	2020	2021	2022	2023	2024	Thereafter	
2020	\$ (3,246,979)	5	\$ (649,395)	\$ (649,396)	\$ (649,396)	\$ (649,396)	\$ (649,396)	\$ -	
2019	\$ (4,214,132)	5	\$ (842,826)	\$ (842,826)	\$ (842,826)	\$ (842,826)	\$ -	\$ -	
2018	\$ 3,919,588	5	\$ 783,918	\$ 783,918	\$ 783,918	\$ -	\$ -	\$ -	
2017	\$ (1,710,183)	5	\$ (342,037)	\$ (342,037)	\$ -	\$ -	\$ -	\$ -	
CY2016 <sup>1</sup>	\$ 486,401	5	\$ 97,280	\$ 97,280	\$ -	\$ -	\$ -	\$ -	
FY2016 <sup>1</sup>	\$ 2,093,644	5	\$ 418,729	\$ 139,575	\$ -	\$ -	\$ -	\$ -	
Net Increase (Decrease) in Pension Expense			\$ (534,331)	\$ (813,486)	\$ (708,304)	\$ (1,492,222)	\$ (649,396)	\$ -	

## GASB 67/68

## SCHEDULE OF CONTRIBUTIONS

Plan Year-End	Contributions in Relation to Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Contributions as a Percentage of Covered Payroll	Covered Payroll
12/31/2020	2,373,133	2,300,705	72,428	5,338,995	43.09%
12/31/2019	2,153,131	2,290,246	(137,115)	5,324,271	43.02%

The following assumptions were used to determine the Actuarially Determined Contribution for the plan year ending December 31, 2020:

Calculation Timing	The Actuarially Determined Contribution is calculated using a January 1, 2019 valuation date.
Interest Rate	6.75%
Mortality Rate	<p><b>Active Lives:</b> PubS-2010 Employee mortality, projected 5 years past the valuation date with Scale MP-2018. 20% of active deaths are assumed to be in the line of duty.</p> <p><b>Inactive Lives:</b> PubS-2010 Healthy Retiree mortality, projected 5 years past the valuation date with Scale MP-2018.</p> <p><b>Beneficiaries:</b> PubS-2010 Survivor mortality, projected 5 years past the valuation date with Scale MP-2018.</p> <p><b>Disabled Lives:</b> PubS-2010 Disabled mortality, projected 5 years past the valuation date with Scale MP-2018.</p>
Assumptions	All other assumptions and methods used for determining the Actuarially Determined Contribution can be found in the January 1, 2019 Actuarial Valuation Report for the Village of Lake Zurich Firefighters' Pension Fund prepared by Foster & Foster Actuaries and Consultants.

## GASB 67

## SCHEDULE OF INVESTMENT RETURNS

For the year ended December 31, 2020, the annual money-weighted return on Pension Plan investments, net of pension plan investment expense, was 14.54 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Plan Year-End	Annual Money-Weighted Rate of Return Net of Investment Expense
12/31/2020	14.54%
12/31/2019	19.12%

## GASB 67/68

### ASSUMPTIONS – GASB PENSION LIABILITY AND PENSION EXPENSE

The GASB 67/GASB 68 Pension Liability for Plan reporting as of December 31, 2020 and GASB 68 Pension Expense were determined as follows:

Valuation Date	January 1, 2021
Measurement Date	December 31, 2020
GASB 68 Expense Measurement Period	January 1, 2020 - December 31, 2020
Reporting Period	January 1, 2020 - December 31, 2020
Discount Rate	6.75%
Inflation	2.50%
Salary Increases	Service-based rates
Other Assumptions	A summary of complete assumptions can be found in the accompanying Actuarial Valuation as of January 1, 2021 for the Village of Lake Zurich Firefighters' Pension Fund prepared by Foster & Foster Actuaries and Consultants.

## GASB 67/68

## NOTES TO THE FINANCIAL STATEMENTS

*Support for Long-Term Expected Rate of Return*

The Long-Term Expected Rate of Return on Pension Plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class.

These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the Pension Plan's target asset allocation adopted as of December 31, 2020, as provided by Sawyer Falduto Asset Management, LLC, are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return <sup>1</sup>
Large Cap Domestic Equity	42.0%	5.8%
Small Cap Domestic Equity	12.0%	7.6%
International Equity	6.0%	7.1%
Fixed Income	40.0%	1.4%
Total	100.0%	

<sup>1</sup> Please note that the implied long-term expected return of the total portfolio provided by the investment advisor would suggest that the Discount Rate is not supported. We will continue to monitor this in light of longer time horizons and the impact of Consolidation.

Inflation rate of investment advisor 2.00%

*Concentrations*

The Plan did not hold investments in any one organization that represent 5 percent or more of the Pension Plan's fiduciary net position.

*Discount Rate*

The Discount Rate used to measure the Total Pension Liability was 6.75 percent.

The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments (6.75 percent) was applied to all periods of projected benefit payments to determine the Total Pension Liability.

For the purpose of this valuation, the expected rate of return on pension plan investments is 6.75 percent. The municipal bond rate is 1.93 percent (based on the daily rate closest to, but not later than the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index). The resulting single discount rate is 6.75 percent.

## GASB 67/68

## SUMMARY OF CURRENT PLAN

Article 4 Pension Fund

The Plan is established and administered as prescribed by “Article 4. Firefighters' Pension Fund – Municipalities 500,000 and Under” of the Illinois Pension Code.

Plan Administration

The Plan is a single employer defined benefit pension plan administered by a Board of Trustees comprised of:

- a.) Two members appointed by the Municipality,
- b.) Two active members of the Fire Department elected by the Membership.
- c.) One retired member of the Fire Department elected by the Membership.

Benefits Provided

The Plan provides retirement, termination, disability and death benefits.

A summary of the benefit provisions can be found in the accompanying Actuarial Valuation as of January 1, 2021 for the Village of Lake Zurich Firefighters' Pension Fund prepared by Foster & Foster Actuaries and Consultants.

The valuation reflects benefit changes noted on the page “Changes Since Prior Valuation”.



## **LAKE ZURICH FIREFIGHTERS PENSION FUND INVESTMENT POLICY**

### **PURPOSE**

The investment of pension funds is the responsibility of the members of the Board of Trustees of the **Lake Zurich Firefighters Pension Fund** (Pension Board). The purpose of this investment policy is to indicate a conscious, formal effort by the Pension Board to develop, implement and monitor the investment of pension funds. It shall be considered an important means to communicate the Pension Board's policy views on management of pension funds to the public, participants, and beneficiaries of the Fund.

### **SCOPE**

This policy governs the investment practices and applies to all financial transactions of the **Lake Zurich Firefighters Pension Fund** (Pension Fund).

### **OBJECTIVES**

The Pension Board has a fiduciary responsibility to discharge its duties with respect to the Pension Fund solely in the interest of the participants and beneficiaries as set forth in the Illinois Pension Code.

**Preservation of Principal** – Preservation of principal is the foremost objective of the Pension Board. Investment transactions shall seek to first ensure that large capital losses are avoided. Additionally, the objective of the Pension Board is to avoid erosion of principal resulting from securities defaults.

**Return on Investments** – The Pension Board seeks to attain or exceed market rates of return on investments consistent with constraints imposed by safety objectives, cash flow considerations and Illinois Laws that restrict the placement of public funds.

**Maintenance of Public Trust** – All participants in the investment process shall seek to act responsibly as custodians of the Pension Fund. Investment officials shall avoid any transactions that might reasonably impair Pension Fund participant's confidence in the Pension Board's ability to manage the Pension Fund.

**Liquidity** – The assets shall be sufficiently liquid to meet the Pension Fund's disbursement requirements for the payment of operating expenses and benefits.

### **RESPONSIBILITY**

Management of the investment program is the responsibility of the Pension Board. No person may engage in an investment transaction except as provided under terms of this policy established by the Pension Board.

The Treasurer of the Pension Fund shall be responsible for establishing internal controls and written procedures for the operation of the investment program to comply with Illinois Compiled Statutes.

The Pension Board may appoint an investment manager (as defined in 40 ILCS 5/1 – 101.4) to assist in the management of the investment program. The investment manager shall acknowledge, in writing, that he or she is a fiduciary with respect to the Pension Fund. Any such written acknowledgement shall be attached to this policy or included in the agreement between the Pension Board and the investment manager. (40 ILCS 5/1-113.5).

The Pension Board will meet with the investment manager quarterly to review market conditions and to determine investment strategy. This review will include analysis of the investment portfolio, its effectiveness in meeting the Pension Fund's needs for safety, liquidity, rate of return, and diversification, and its general performance.

### **PRUDENCE**

The standard of prudence to be used by investment officials shall be the "prudent investor" and shall be applied in the context of managing the portfolio. Investments shall be made with the care, skill, prudence

and diligence that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of like character with like aims.

#### **PROHIBITED TRANSACTIONS**

A Fiduciary with respect to the Pension Fund shall not:

1. Deal with the assets of the Pension Fund in his or her own interests or for his or her own account.
2. In their individual or other capacity effect any transaction involving the Pension Fund on behalf of a party whose interests are adverse to the interests of the Pension Fund or the interests of its participants or beneficiaries.
3. Receive any consideration for his or her own personal account from any party dealing with the Pension Fund in connection with a transaction involving the assets of the Pension Fund.
4. Knowingly cause or advise the Pension Fund to engage in an investment transaction when the fiduciary (i) has any direct interest in the income, gains, or profits of the investment advisor through which the investment transaction is made or (ii) has a business relationship with that investment advisor that would result in a pecuniary benefit to the fiduciary as a result of the investment transaction. (40 ILCS 5/1-110)

#### **INVESTMENT INSTRUMENTS**

The Pension Fund may invest in any type of investment instrument permitted by Illinois law, as described in Chapter 40 of the Illinois Compiled Statutes, 40 ILCS 5/1-113.2 through 113.4a. Permitted investment instruments include, but are not limited to:

1. Interest bearing direct obligations of the United States of America.
2. Interest bearing obligations to the extent that they are fully guaranteed or insured as to payment of principal and interest by the United States of America.
3. Interest bearing bonds, notes, debentures, or other similar obligations of agencies of the United States of America. For the purposes of this section, "Agencies of the United States of America" include:
  - a. The Federal National Mortgage Association and the Student Loan Marketing Association.
  - b. Federal Land Banks, Federal Intermediate Credit Banks, Federal Farm Credit Banks, and any other entity authorized to issue direct debt obligations of the United States of America under the Farm Credit Act of 1971.
  - c. Federal Home Loan Banks and the Federal Home Loan Mortgage Corporation.
  - d. Any agency created by act of Congress that is authorized to issue direct debt obligations of the United States of America.
4. Corporate bonds managed through an investment advisor must meet all of the following requirements:
  - a. The bonds must be rated as investment grade by one of the 2 largest rating services at the time of purchase.
  - b. If subsequently downgraded below investment grade, the bonds must be liquidated by the manager from the portfolio within 90 days after being downgraded.
5. Interest bearing savings accounts or certificates of deposit, issued by federally chartered banks or savings and loan associations, or by State of Illinois chartered banks or savings and loan associations, to the extent that the deposits are insured by agencies or instrumentalities of the federal government.
6. Interest bearing bonds of the State of Illinois or interest bearing bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois.
7. Pooled interest bearing accounts managed by the Illinois Public Treasurer's Investment Pool in accordance with the Deposit of State Moneys Act.



8. Direct obligations of the State of Israel.
9. Money Market Mutual Funds managed by investment companies that are registered under the Federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies; provided that the portfolio of the money market mutual fund is limited to:
  - a. Bonds, notes, certificates of indebtedness, treasury bills, or other securities that are guaranteed by the full faith and credit of the United States of America or its agencies.
  - b. Bonds, notes, debentures, or other similar obligations of the United States of America or its agencies.
10. Not to exceed 10% of the portfolio, separate accounts that are managed by life insurance companies authorized to transact business in Illinois and are comprised of diversified portfolios consisting of common or preferred stock, bonds or money market instruments or mutual funds that meet the requirement as outlined in item 11 below.
11. In addition to the items listed above, if the Pension Fund has net assets of \$2,500,000 or more it may invest a portion of its net assets in mutual funds that meet the following requirements:
  - a. The mutual fund is managed by an investment company as defined and registered under the Federal Investment Company Act of 1940 and registered under the Illinois Securities Law of 1953.
  - b. The mutual fund has been in operation for at least five years.
  - c. The mutual fund has total net assets of \$250 million or more.
  - d. The mutual fund is comprised of diversified portfolios of common or preferred stocks, bonds, or money market instruments.
12. In addition to the items listed above, if the Pension Fund has net assets of \$5,000,000 or more it may invest a portion of its net assets in common and preferred stocks that meet the following requirements:
  - a. Investments made through an investment advisor with a written contract.
  - b. Stocks of U.S. Corporations that have been in existence for 5 years.
  - c. Corporations not in arrears in payment of dividends in the last 5 years.
  - d. Market value of stock in any one corporation does not exceed 5% of cash and invested assets of pension fund.
  - e. Stock in any one corporation does not exceed 5% of the total outstanding stock in the corporation.
  - f. Stocks listed on national securities exchange or quoted in NASDAQNMS.
13. In addition to the items mentioned above, if the Pension Fund has net assets of at least \$10,000,000 the fund may, through that investment adviser, invest an additional portion of its assets in common and preferred stocks and mutual funds.

If the Pension Fund has net assets of at least \$2,500,000 but less than \$10,000,000, the Pension Fund's investment in the above equity investments (#'s 10, 11 and 12) shall not exceed 45% of the market value of the Pension Fund's net present assets stated in its most recent annual report on file with the Illinois Department of Insurance.

If the Pension Fund has net assets of at least \$10,000,000, the Pension Fund's total investment in the above equity investments (#'s 10, 11 and 12) shall not exceed 50% effective July 1, 2011 and 55% effective July 1, 2012 of the market value of the Pension Fund's net present assets stated in its most recent annual report on file with the Illinois Department of Insurance.

The 55% maximum allocation is subject to statutory interpretation and any change to the maximum allocation will be made by motion and approval by the Board of Trustees of the Pension Fund.

Investments of the Pension Fund will be registered in the name of the Pension Fund and placed with a custodian approved by the Pension Board so long as the custodian meets the requirements of state statutes.

## PERFORMANCE MEASUREMENTS

Performance will be calculated using professional standards as established by the CFA Institute. The Pension Board may include (but is not limited to) the following benchmarks for evaluating the Pension Fund's performance:

Application	Benchmark Index
Cash Equivalents	Morningstar Manager Benchmark Taxable Money Market
Fixed Income - U.S. Treasury	Barclay's U.S. Treasury Intermediate
Fixed Income - U.S. Agency	Barclay's U.S. Agency 7-10 Year
Fixed Income - Taxable Municipal	Barclay's Taxable Municipal Intermediate
Fixed Income - Corporate	Barclay's Corporate Intermediate
Large Capitalization Equities	Standard & Poor's 500 Stock Index
Small Capitalization Equities	Russell 2000 Stock Index
International Equities	Morgan Stanley Capital International EAFE

## CONTROLS

The Pension Board maintains Pension Fund books and records in conformance with generally accepted accounting principles. Internal controls shall be reviewed by the Pension Board and may be reviewed by an independent auditor. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, or imprudent actions by employees and officers of the Pension Board.

## DIVERSIFICATION / STRATEGY

### Fixed Income

The average maturity/duration of the portfolio will be managed based upon the current existing interest rate environment. Under most circumstances the average maturity and duration of the portfolio will be maintained at approximately 5.0 years and will range from 2.0 years to 7.0 years. This type of strategy will often result in increasing the maturity/duration of the portfolio when interest rates are rising and decreasing the maturity/duration of the portfolio when interest rates are declining. The investment manager may change the duration of the portfolio as market conditions permit.

The allocation guidelines, by asset class, for the fixed income investments are as follows:

	Minimum Allocation	Allocation Range	Maximum Allocation
U.S. Treasury Bills/Notes/Bonds	0%	5% - 40%	100%
U.S. Government Agency Securities (non-MBS)	0%	20% - 70%	75%
U.S. Government Agency Securities (Callable)	0%	0% - 20%	30%
U.S. Government Agency Securities (MBS)	0%	0% - 10%	15%
Taxable Municipal Securities	0%	5% - 20%	30%
Certificates of Deposit	0%	0% - 10%	20%
Investment Grade Corporate Bonds	0%	5% - 20%	30%

Under normal market conditions the structure of the portfolio will be within these limits. However, the portfolio manager may diverge from the above guidelines due to abnormal market conditions.



**Equities**

Once the Pension Fund reaches the equity allocation approved by the Pension Board and permitted by law, normal asset allocation range for equity portfolio allocation weightings should be:

	Normal Allocation	Range of Allocation
U.S. Large Company Stocks	70%	40% - 100%
U.S. Small Company Stocks	20%	0% - 40%
International Stocks	10%	0% - 20%

The Pension Fund asset allocation should be rebalanced at least annually when the equity allocation rises above the maximum allowable as a percentage of assets as defined by Illinois State Statute.

**ILLINOIS SUSTAINABLE INVESTING ACT**

The Board recognizes that material, relevant, and decision-useful sustainability factors have been or are regularly considered by the Board, within the bounds of financial and fiduciary prudence, in evaluating investment decisions. Such factors include, but are not limited to: (1) corporate governance and leadership factors; (2) environmental factors; (3) social capital factors; (4) human capital factors; and (5) business model and innovation factors, as provided under the Illinois Sustainable Investing Act. (40 ILCS 5/1-113.6 and 1-113.17)

**COLLATERALIZATION**

Pension Fund assets may be invested in savings accounts or certificates of deposit of a national or state bank, even if fund assets on deposit in such institution will exceed federal deposit insurance or guarantee limits for invested principal and accrued interest, but only if the amount by which the fund's investment exceeds such insurance or guarantee limits is collateralized by the bank which shall be maintained and credited to the fund on the records of the custodial bank. The Pension Fund shall have a perfected security interest in such securities which shall be free of any claims to the rights to these securities other than any claims by the custodian which are subordinate to the Pension Fund's claims to rights to these securities.

**CUSTODY AND SAFEKEEPING OF INVESTMENTS**

Third party safekeeping is required for all securities owned by the Pension Fund (40 ILCS 5/1-113.7). Custody arrangements shall be documented by an approved written agreement. The agreement may be in the form of a safekeeping agreement, trust agreement, escrow agreement or custody agreement.

**ETHICS AND CONFLICTS OF INTEREST**

Any fiduciary with respect to the Pension Fund shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair his or her ability to make impartial investment decisions.

**REPORTING**

At least quarterly, the Treasurer shall submit to the Pension Board an investment report which shall describe the portfolio in terms of investment securities, maturity, cost, transactions and earnings for the current period. The Treasurer shall also submit a comprehensive annual report on the Pension Fund and its activity.

**MEETING SCHEDULE**

The Pension Board shall schedule periodic meetings for the purposes of portfolio and investment manager review. Special meetings may be called from time-to-time by the Pension Board.

**AUDIT**

Pension Fund is subject to periodic examination by Illinois Department of Insurance - Public Pension Division.

**FILING**

The Board shall file a copy of this policy with the Illinois Department of Insurance, Public Pension Division within thirty (30) days of its adoption. The Board shall make a copy of this Policy available to the public at the main administrative office of the Pension Fund. (40 ILCS 5/1-113.6; 30 ILCS 235/2.5(c))

**DEFINITIONS**

**Barclay's Corporate Intermediate** – The index includes publicly issued U.S. corporate and specified foreign debentures and secured notes that are SEC registered. The securities must be rated investment grade, fixed rate, dollar-denominated and have maturities typically less than 10 years.

**Barclay's Taxable Municipal Intermediate** – The index includes publicly issued taxable municipal bonds that are rated investment grade. The bonds must be fixed rate with outstanding par value of at least \$7 million. The bonds will have maturities typically less than 10 years.

**Barclay's U.S. Agency 7-10 Year** – The index includes securities publicly issued by U.S. government agencies that are rated investment grade, fixed rate and have at least \$300 million par value outstanding. The securities will have maturities ranging between 7 and 10 years.

**Barclay's U.S. Treasury Intermediate** – The index includes public obligations of the U.S. Treasury that have at least \$250 million in par value outstanding. The securities must be rated investment grade, dollar-denominated and have a fixed rate. Maturities will range from 1 to 10 years.

**Beneficiary** – person eligible for or receiving benefits from a pension fund.

**Book Entry Security** – securities that can be transferred from institution to institution using the federal electronic wire system, thus eliminating the physical transfer of certificates. Records are maintained on a computer system at the Federal Reserve.

**Collateral** – the pledging of a security to guarantee performance of an obligation.

**Current Yield** – percentage derived by taking annual interest from an investment and dividing by current market value.

**Fiduciary** – person entrusted with the control of assets for the benefit of others.

**Investment Manager** – an individual or organization that provides investment management services for a fee, either on a discretionary or nondiscretionary basis. Under Illinois law, an investment manager is considered a fiduciary with respect to the Pension Fund.

**Market Value** – the present price of a given security.

**Morgan Stanley Capital International (EAFE)** – Indices are based on the share prices of approximately 1,600 companies listed on stock exchanges in the twenty-two countries that make up the MSCI National Indices.

**Morningstar Manager Benchmark Taxable Money Market** – the index tracks the performance of the U.S. taxable money market universe.

**Return** – the profit or interest as payment for investment.

**Russell 2000 Stock Index** – is comprised of the smallest 2000 companies in the Russell 3000 index, representing approximately 11% of the Russell 3000 total market capitalization. The Index was developed with a base value of 135.00 as of December 31, 1986.

**Security** – any note, stock, bond, certificate of interest or certificate of deposit.

**Separate Account** – term used of variable annuities. Because the risk is borne by the investor in a variable annuity, the issuer may not commingle funds invested in the variable annuity with the general funds of the issuer.



**Standard & Poor's 500 Stock Index** – is a capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. The index was developed with a base level of 10 for the 1941-43 base period.

**Treasury Bill** – short-term debt obligation of U.S. government which will mature in one year or less at the time of original issuance.

**Treasury Bond** – longer debt obligations of U.S. government which will mature in ten years or longer at the time of original issuance.

**Treasury Note** – debt obligations of U.S. government which will mature in ten years or less at the time of original issuance.

#### **AMENDMENT**

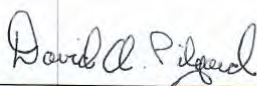
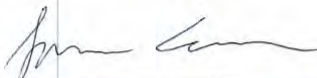


This policy may be amended from time to time by the Pension Board.

#### **CONFLICT**

In the event of any conflict between this Policy and the Illinois Compiled Statutes or case decisions of the State of Illinois, the Statutes and case law decisions shall govern.

#### **ADOPTION**

This Investment Policy is hereby adopted by the **Lake Zurich Firefighters Pension Fund Board of Trustees** on this the 15<sup>th</sup> day of April, 20 20.

Title	Signature
President	
Secretary	
Treasurer	
Trustee	
Trustee	
Trustee	

Illinois Police Fire Pension Investment Policy 7/5/2019 - Standard  
Updated 4/1/2020 – Final



**Lake Zurich Police Pension Board**  
200 Mohawk Trail, Lake Zurich IL 60047  
(847) 719-1690 Ext. 366

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October 12, 2021

Mayor Tom Poynton and the Members of the Board of Trustees  
Village of Lake Zurich  
70 E. Main Street  
Lake Zurich, Illinois 60047

**RE: Tax Levy Request from the Lake Zurich Police Pension Fund (2021)**

Dear Mayor Poynton and Village Board Members:

Section 3-125 of the Illinois Pension Code (40 ILCS 5/3-125) requires that the Village of Lake Zurich annually levy a tax to meet the annual actuarial requirements of the police pension fund. At recent meetings of the Board of Trustees of the Lake Zurich Police Pension Fund, the Pension Board reviewed the actuarial valuations prepared by Foster & Foster and the Illinois Department of Insurance for purposes of the next Village tax levy.

In light of the Board's fiduciary obligation to ensure that funds are available to meet the actuarial requirements of the Fund, the Pension Board voted to request that the Village Board levy the recommended employer contribution of \$2,067,695, which is based on a sounder actuarial approach from the Foster valuation than the DOI statutory minimum calculation. Note the following highlights from the valuation:

- The recommended employer contribution is \$61,663 more than last year's recommended contribution, which is an increase of approximately 3.07%.
- The increase in employer contribution is largely attributable to the increase in the amortization payment due to the payroll growth assumption and unfavorable plan experience. The plan experience was unfavorable overall based on the plan's actuarial assumptions, including more retirements than expected and an average salary increase of 5.24% which exceeded the 4.39% assumption.
- The net investment return on the market value of assets was 14.78%. When smoothing was considered (the recognition of gains and losses over five years), the return on investments on the actuarial value of assets was 9.42%.
- Last fiscal year, the Fund paid out over \$2.1 million in benefits, and ended the year with more than \$30 million in assets. Although the Fund is rapidly maturing, the actuary noted that the current net cash flow ratio of 0.7% indicates that contributions are generally covering the Fund's benefit payments and administrative expenses.

Pursuant to Public Act 101-0610, the Illinois Police Officers' Pension Investment Fund (IPOPIF) is scheduled to assume control of the Fund's assets no later than July 1, 2022. After the transition phase of this asset consolidation, IPOPIF will take over the responsibility to promulgate actuarial valuations for all 300 suburban and downstate police pension funds. Given the likelihood that IPOPIF will follow a statutory minimum approach in providing those valuations and be unable to provide GASB reporting, the Board urges the Village to consider a collaboration with the Fund to secure one shared private actuarial valuation based on sound funding principles.

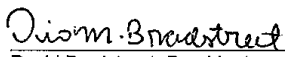


Page Two  
October 12, 2021  
Mayor Tom Poynton and the Members of the Board of Trustees  
Village of Lake Zurich

The Pension Board continues its gratitude to the Village Board for its ongoing commitment to proper pension funding. Enclosed please find the Board's certified annual municipal compliance report and investment policy for your review. If you have any more questions or concerns regarding the Board's request, please let us know.

Sincerely,

**Lake Zurich Police Pension Fund**

  
David Bradstreet, President

Enclosures      Municipal Compliance Report, Investment Policy  
cc:                Amy Sparkowski, Village Finance Director/Treasurer (w/ enclosures)

THE VILLAGE OF LAKE ZURICH,  
ILLINOIS  
POLICE PENSION FUND  

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PUBLIC ACT 95-0950  
MUNICIPAL COMPLIANCE REPORT  
  
FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2020



Lauterbach & Amen, LLP

CERTIFIED PUBLIC ACCOUNTANTS

668 NORTH RIVER RD. • NAPERVILLE, ILLINOIS 60563

PHONE 630.393.1483 • FAX 630.393.2516  
www.lauterbachamen.com

October 11, 2021

Members of the Pension Board of Trustees  
Lake Zurich Police Pension Fund  
Lake Zurich, Illinois

Enclosed please find a copy of your Municipal Compliance Report for the Lake Zurich Police Pension Fund for the fiscal year ended December 31, 2020. We have prepared the report with the most recent information available at our office. Should you have more current information, or notice any inaccuracies, we are prepared to make any necessary revisions and return them to you.

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

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

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

Respectfully submitted,

*Lauterbach & Amen, LLP*

LAUTERBACH & AMEN, LLP

**THE VILLAGE OF LAKE ZURICH, ILLINOIS  
POLICE PENSION FUND**

**Public Act 95-950 - Municipal Compliance Report  
For the Fiscal Year Ending December 31, 2020**

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

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

	<u>Current Fiscal Year</u>	<u>Preceding Fiscal Year</u>
Total Cash and Investments (including accrued interest)	<u>\$30,504,469</u>	<u>\$26,418,132</u>
Total Net Position	<u>\$30,491,747</u>	<u>\$26,407,391</u>

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

Estimated Receipts - Employee Contributions	<u>\$331,400</u>
Estimated Receipts - All Other Sources	
Investment Earnings	<u>\$2,059,100</u>
Municipal Contribution	<u>\$2,067,695</u>

- 3) The estimated amount required during the next succeeding fiscal year to (a) pay all pensions and other obligations provided in Article 3 of the Illinois Pension Code, and (b) to meet the annual requirements of the fund as provided in Sections 3-125 and 3-127:

(a) Pay all Pensions and Other Obligations	<u>\$2,673,800</u>
(b) Annual Requirement of the Fund as Determined by:	
Illinois Department of Insurance	<u>\$1,994,948</u>
Private Actuary - Foster & Foster	
Recommended Municipal Contribution	<u>\$2,067,695</u>
Statutory Municipal Contribution	<u>\$1,769,707</u>

**THE VILLAGE OF LAKE ZURICH, ILLINOIS  
POLICE PENSION FUND**

**Public Act 95-950 - Municipal Compliance Report  
For the Fiscal Year Ending December 31, 2020**

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

	Current Fiscal Year	Preceding Fiscal Year
Net Income Received from Investment of Assets	<u>\$3,885,843</u>	<u>\$4,188,319</u>
Assumed Investment Return		
Illinois Department of Insurance	<u>6.50%</u>	<u>6.50%</u>
Private Actuary - Foster & Foster	<u>6.75%</u>	<u>6.75%</u>
Actual Investment Return	<u>13.65%</u>	<u>17.31%</u>

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

6) Number of Active Members	<u>30</u>
-----------------------------	-----------

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	<u>25</u>	<u>\$1,793,963</u>
(ii) Disability Pension	<u>1</u>	<u>\$57,606</u>
(iii) Survivors and Child Benefits	<u>4</u>	<u>\$256,108</u>
Totals	<u>30</u>	<u>\$2,107,676</u>

**THE VILLAGE OF LAKE ZURICH, ILLINOIS  
POLICE PENSION FUND**

**Public Act 95-950 - Municipal Compliance Report  
For the Fiscal Year Ending December 31, 2020**

7) The funded ratio of the fund:

	Current Fiscal Year	Preceding Fiscal Year
Illinois Department of Insurance	53.50%	51.32%
Private Actuary - Foster & Foster	53.89%	52.47%

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

Unfunded Liability:

Illinois Department of Insurance	\$24,250,439
Private Actuary - Foster & Foster	\$23,958,667

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 12th day of October, 2021

President Doris M. Bradstreet Date 10/12/2021

Secretary <sup>146</sup> Date 10/12/2021

**THE VILLAGE OF LAKE ZURICH, ILLINOIS  
POLICE PENSION FUND**

**Public Act 95-950 - Municipal Compliance Report  
For the Fiscal Year Ending December 31, 2020**

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INDEX OF ASSUMPTIONS

- 1) Total Cash and Investments - as Reported at Market Value in the Audited Financial Statements for the Years Ended December 31, 2020 and 2019.

Total Net Position - as Reported in the Audited Financial Statements for the Years Ended December 31, 2020 and 2019.

- 2) Estimated Receipts - Employee Contributions as Reported in the Audited Financial Statements for the Year Ended December 31, 2020 plus 4.39% Increase (Actuarial Salary Increase Assumption) Rounded to the Nearest \$100.

Estimated Receipts - All Other Sources:

Investment Earnings - Cash and Investments as Reported in the Audited Financial Statements for the Year Ended December 31, 2020, times 6.75% (Actuarial Investment Return Assumption) Rounded to the Nearest \$100.

Municipal Contributions - Recommended Tax Levy Requirement as Reported by Foster & Foster, Actuarial Valuation for the Year Ended December 31, 2020.

- 3) (a) Pay all Pensions and Other Obligations - Total Non-Investment Deductions as Reported in the Audited Financial Statements for the Year Ended December 31, 2020, plus a 25% Increase, Rounded to the Nearest \$100.

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

Illinois Department of Insurance - Suggested Amount of Tax Levy as Reported in the December 31, 2020 Actuarial Valuation.

Private Actuary - Foster & Foster:

Recommended Amount of Tax Levy as Reported by Foster & Foster in the December 31, 2020 Actuarial Valuation.

Statutorily Required Amount of Tax Levy as Reported by Foster & Foster in the December 31, 2020 Actuarial Valuation.

**THE VILLAGE OF LAKE ZURICH, ILLINOIS  
POLICE PENSION FUND**

**Public Act 95-950 - Municipal Compliance Report  
For the Fiscal Year Ending December 31, 2020**

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**INDEX OF ASSUMPTIONS**

- 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 December 31, 2020 and 2019.

Assumed Investment Return:

Illinois Department of Insurance - Current and Preceding Fiscal Year Interest Rate Assumption as Reported in the Years Ended December 31, 2020 and 2019 Actuarial Valuations.

Private Actuary - Current and Preceding Fiscal Year Interest Rate Assumption as Reported in the Years Ended December 31, 2020 and 2019 Actuarial Valuations.

Actual Investment Return - Net Income Received from Investments as Reported Above as a Percentage of the Average of the Beginning and Ending Balances of the Fiscal Year Cash Investments, Excluding Net Investment Income, Gains, and Losses for the Fiscal Year Return Being calculated, as Reported in the Audited Financial Statements for the Fiscal Years Ended December 31, 2020 and 2019.

- 5) Number of Active Members - Illinois Department of Insurance Annual Statement for December 31, 2020 - Schedule P.
- 6) (i) Regular Retirement Pension - Illinois Department of Insurance Annual Statement for December 31, 2020 - Schedule P for Number of Participants and Expense page 1 for Total Amount Disbursed.
- (ii) Disability Pension - Same as above.
- (iii) Survivors and Child Benefits - Same as above.



**THE VILLAGE OF LAKE ZURICH, ILLINOIS  
POLICE PENSION FUND**

**Public Act 95-950 - Municipal Compliance Report  
For the Fiscal Year Ending December 31, 2020**

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**INDEX OF ASSUMPTIONS**

**7) The funded ratio of the fund:**

Illinois Department of Insurance - Current and Preceding Fiscal Year Net Present Assets as a percentage of Total Assets as Reported in the December 31, 2020 and 2019 Actuarial Valuations.

Private Actuary - Current and Preceding Fiscal Year Net Present Assets as a percentage of Total Assets as Reported in the December 31, 2020 and 2019 Actuarial Valuations.

**8) Unfunded Liability:**

Illinois Department of Insurance - Deferred Asset (Unfunded Accrued Liability) as Reported in the December 31, 2020 Actuarial Valuation.

Private Actuary - Deferred Asset (Unfunded Accrued Liability) as Reported by Foster & Foster in the December 31, 2020 Actuarial Valuation.

ADOPTED 7-14-2020

## **LAKE ZURICH POLICE PENSION FUND INVESTMENT POLICY**

### **PURPOSE**

The investment of pension funds is the responsibility of the members of the Board of Trustees of the **Lake Zurich Police Pension Fund** (Pension Board). The purpose of this investment policy is to indicate a conscious, formal effort by the Pension Board to develop, implement and monitor the investment of pension funds. It shall be considered an important means to communicate the Pension Board's policy views on management of pension funds to the public, participants, and beneficiaries of the Fund.

### **SCOPE**

This policy governs the investment practices and applies to all financial transactions of the **Lake Zurich Police Pension Fund** (Pension Fund).

### **OBJECTIVES**

The Pension Board has a fiduciary responsibility to discharge its duties with respect to the Pension Fund solely in the interest of the participants and beneficiaries as set forth in the Illinois Pension Code.

**Preservation of Principal** – Preservation of principal is the foremost objective of the Pension Board. Investment transactions shall seek to first ensure that large capital losses are avoided. Additionally, the objective of the Pension Board is to avoid erosion of principal resulting from securities defaults.

**Return on Investments** – The Pension Board seeks to attain or exceed market rates of return on investments consistent with constraints imposed by safety objectives, cash flow considerations and Illinois Laws that restrict the placement of public funds.

**Maintenance of Public Trust** – All participants in the investment process shall seek to act responsibly as custodians of the Pension Fund. Investment officials shall avoid any transactions that might reasonably impair Pension Fund participant's confidence in the Pension Board's ability to manage the Pension Fund.

**Liquidity** – The assets shall be sufficiently liquid to meet the Pension Fund's disbursement requirements for the payment of operating expenses and benefits.

### **RESPONSIBILITY**

Management of the investment program is the responsibility of the Pension Board. No person may engage in an investment transaction except as provided under terms of this policy established by the Pension Board.

The Treasurer of the Pension Fund shall be responsible for establishing internal controls and written procedures for the operation of the investment program to comply with Illinois Compiled Statutes.

The Pension Board may appoint an investment manager (as defined in 40 ILCS 5/1 – 101.4) to assist in the management of the investment program. The investment manager shall acknowledge, in writing, that he or she is a fiduciary with respect to the Pension Fund. Any such written acknowledgement shall be attached to this policy or included in the agreement between the Pension Board and the investment manager. (40 ILCS 5/1-113.5).

The Pension Board will meet with the investment manager quarterly to review market conditions and to determine investment strategy. This review will include analysis of the investment portfolio, its effectiveness in meeting the Pension Fund's needs for safety, liquidity, rate of return, and diversification, and its general performance.

### **PRUDENCE**

The standard of prudence to be used by investment officials shall be the "prudent investor" and shall be applied in the context of managing the portfolio. Investments shall be made with the care, skill, prudence

and diligence that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of like character with like aims.

#### **PROHIBITED TRANSACTIONS**

A Fiduciary with respect to the Pension Fund shall not:

1. Deal with the assets of the Pension Fund in his or her own interests or for his or her own account.
2. In their individual or other capacity effect any transaction involving the Pension Fund on behalf of a party whose interests are adverse to the interests of the Pension Fund or the interests of its participants or beneficiaries.
3. Receive any consideration for his or her own personal account from any party dealing with the Pension Fund in connection with a transaction involving the assets of the Pension Fund.
4. Knowingly cause or advise the Pension Fund to engage in an investment transaction when the fiduciary (i) has any direct interest in the income, gains, or profits of the investment advisor through which the investment transaction is made or (ii) has a business relationship with that investment advisor that would result in a pecuniary benefit to the fiduciary as a result of the investment transaction. (40 ILCS 5/1-110)

#### **INVESTMENT INSTRUMENTS**

The Pension Fund may invest in any type of investment instrument permitted by Illinois law, as described in Chapter 40 of the Illinois Compiled Statutes, 40 ILCS 5/1-113.2 through 113.4a. Permitted investment instruments include, but are not limited to:

1. Interest bearing direct obligations of the United States of America.
2. Interest bearing obligations to the extent that they are fully guaranteed or insured as to payment of principal and interest by the United States of America.
3. Interest bearing bonds, notes, debentures, or other similar obligations of agencies of the United States of America. For the purposes of this section, "Agencies of the United States of America" include:
  - a. The Federal National Mortgage Association and the Student Loan Marketing Association.
  - b. Federal Land Banks, Federal Intermediate Credit Banks, Federal Farm Credit Banks, and any other entity authorized to issue direct debt obligations of the United States of America under the Farm Credit Act of 1971.
  - c. Federal Home Loan Banks and the Federal Home Loan Mortgage Corporation.
  - d. Any agency created by act of Congress that is authorized to issue direct debt obligations of the United States of America.
4. Corporate bonds managed through an investment advisor must meet all of the following requirements:
  - a. The bonds must be rated as investment grade by one of the 2 largest rating services at the time of purchase.
  - b. If subsequently downgraded below investment grade, the bonds must be liquidated by the manager from the portfolio within 90 days after being downgraded.
5. Interest bearing savings accounts or certificates of deposit, issued by federally chartered banks or savings and loan associations, or by State of Illinois chartered banks or savings and loan associations, to the extent that the deposits are insured by agencies or instrumentalities of the federal government.
6. Interest bearing bonds of the State of Illinois or interest bearing bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois.
7. Pooled interest bearing accounts managed by the Illinois Public Treasurer's Investment Pool in accordance with the Deposit of State Moneys Act.

8. Direct obligations of the State of Israel.
9. Money Market Mutual Funds managed by investment companies that are registered under the Federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies; provided that the portfolio of the money market mutual fund is limited to:
  - a. Bonds, notes, certificates of indebtedness, treasury bills, or other securities that are guaranteed by the full faith and credit of the United States of America or its agencies.
  - b. Bonds, notes, debentures, or other similar obligations of the United States of America or its agencies.
10. Not to exceed 10% of the portfolio, separate accounts that are managed by life insurance companies authorized to transact business in Illinois and are comprised of diversified portfolios consisting of common or preferred stock, bonds or money market instruments or mutual funds that meet the requirement as outlined in item 11 below.
11. In addition to the items listed above, if the Pension Fund has net assets of \$2,500,000 or more it may invest a portion of its net assets in mutual funds that meet the following requirements:
  - a. The mutual fund is managed by an investment company as defined and registered under the Federal Investment Company Act of 1940 and registered under the Illinois Securities Law of 1953.
  - b. The mutual fund has been in operation for at least five years.
  - c. The mutual fund has total net assets of \$250 million or more.
  - d. The mutual fund is comprised of diversified portfolios of common or preferred stocks, bonds, or money market instruments.
12. In addition to the items listed above, if the Pension Fund has net assets of \$5,000,000 or more it may invest a portion of its net assets in common and preferred stocks that meet the following requirements:
  - a. Investments made through an investment advisor with a written contract.
  - b. Stocks of U.S. Corporations that have been in existence for 5 years.
  - c. Corporations not in arrears in payment of dividends in the last 5 years.
  - d. Market value of stock in any one corporation does not exceed 5% of cash and invested assets of pension fund.
  - e. Stock in any one corporation does not exceed 5% of the total outstanding stock in the corporation.
  - f. Stocks listed on national securities exchange or quoted in NASDAQNMS.
13. In addition to the items mentioned above, if the Pension Fund has net assets of at least \$10,000,000 the fund may, through that investment adviser, invest an additional portion of its assets in common and preferred stocks and mutual funds.

If the Pension Fund has net assets of at least \$2,500,000 but less than \$10,000,000, the Pension Fund's investment in the above equity investments (#'s 10, 11 and 12) shall not exceed 45% of the market value of the Pension Fund's net present assets stated in its most recent annual report on file with the Illinois Department of Insurance.

If the Pension Fund has net assets of at least \$10,000,000, the Pension Fund's total investment in the above equity investments (#'s 10, 11 and 12) shall not exceed 50% effective July 1, 2011 and 55% effective July 1, 2012 of the market value of the Pension Fund's net present assets stated in its most recent annual report on file with the Illinois Department of Insurance.

The 55% maximum allocation is subject to statutory interpretation and any change to the maximum allocation will be made by motion and approval by the Board of Trustees of the Pension Fund.

Investments of the Pension Fund will be registered in the name of the Pension Fund and placed with a custodian approved by the Pension Board so long as the custodian meets the requirements of state statutes.

### PERFORMANCE MEASUREMENTS

Performance will be calculated using professional standards as established by the CFA Institute. The Pension Board may include (but is not limited to) the following benchmarks for evaluating the Pension Fund's performance:

Application	Benchmark Index
Cash Equivalents	Morningstar Manager Benchmark Taxable Money Market
Fixed Income - U.S. Treasury	Barclay's U.S. Treasury Intermediate
Fixed Income - U.S. Agency	Barclay's U.S. Agency 7-10 Year
Fixed Income - Taxable Municipal	Barclay's Taxable Municipal Intermediate
Fixed Income - Corporate	Barclay's Corporate Intermediate
Large Capitalization Equities	Standard & Poor's 500 Stock Index
Small Capitalization Equities	Russell 2000 Stock Index
International Equities	Morgan Stanley Capital International EAFE

### CONTROLS

The Pension Board maintains Pension Fund books and records in conformance with generally accepted accounting principles. Internal controls shall be reviewed by the Pension Board and may be reviewed by an independent auditor. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, or imprudent actions by employees and officers of the Pension Board.

### DIVERSIFICATION / STRATEGY

#### Fixed Income

The average maturity/duration of the portfolio will be managed based upon the current existing interest rate environment. Under most circumstances the average maturity and duration of the portfolio will be maintained at approximately 5.0 years and will range from 2.0 years to 7.0 years. This type of strategy will often result in increasing the maturity/duration of the portfolio when interest rates are rising and decreasing the maturity/duration of the portfolio when interest rates are declining. The investment manager may change the duration of the portfolio as market conditions permit.

The allocation guidelines, by asset class, for the fixed income investments are as follows:

	Minimum Allocation	Allocation Range	Maximum Allocation
U.S. Treasury Bills/Notes/Bonds	0%	5% - 40%	100%
U.S. Government Agency Securities (non-MBS)	0%	20% - 70%	75%
U.S. Government Agency Securities (Callable)	0%	0% - 20%	30%
U.S. Government Agency Securities (MBS)	0%	0% - 10%	15%
Taxable Municipal Securities	0%	5% - 20%	30%
Certificates of Deposit	0%	0% - 10%	20%
Investment Grade Corporate Bonds	0%	5% - 20%	30%

Under normal market conditions the structure of the portfolio will be within these limits. However, the portfolio manager may diverge from the above guidelines due to abnormal market conditions.

**Equities**

Once the Pension Fund reaches the equity allocation approved by the Pension Board and permitted by law, normal asset allocation range for equity portfolio allocation weightings should be:

	Normal Allocation	Range of Allocation
U.S. Large Company Stocks	70%	40% - 100%
U.S. Small Company Stocks	20%	0% - 40%
International Stocks	10%	0% - 20%

The Pension Fund asset allocation should be rebalanced at least annually when the equity allocation rises above the maximum allowable as a percentage of assets as defined by Illinois State Statute.

**ILLINOIS SUSTAINABLE INVESTING ACT**

The Board recognizes that material, relevant, and decision-useful sustainability factors have been or are regularly considered by the Board, within the bounds of financial and fiduciary prudence, in evaluating investment decisions. Such factors include, but are not limited to: (1) corporate governance and leadership factors; (2) environmental factors; (3) social capital factors; (4) human capital factors; and (5) business model and innovation factors, as provided under the Illinois Sustainable Investing Act. (40 ILCS 5/1-113.6 and 1-113.17)

**COLLATERALIZATION**

Pension Fund assets may be invested in savings accounts or certificates of deposit of a national or state bank, even if fund assets on deposit in such institution will exceed federal deposit insurance or guarantee limits for invested principal and accrued interest, but only if the amount by which the fund's investment exceeds such insurance or guarantee limits is collateralized by the bank which shall be maintained and credited to the fund on the records of the custodial bank. The Pension Fund shall have a perfected security interest in such securities which shall be free of any claims to the rights to these securities other than any claims by the custodian which are subordinate to the Pension Fund's claims to rights to these securities.

**CUSTODY AND SAFEKEEPING OF INVESTMENTS**

Third party safekeeping is required for all securities owned by the Pension Fund (40 ILCS 5/1-113.7). Custody arrangements shall be documented by an approved written agreement. The agreement may be in the form of a safekeeping agreement, trust agreement, escrow agreement or custody agreement.

**ETHICS AND CONFLICTS OF INTEREST**

Any fiduciary with respect to the Pension Fund shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair his or her ability to make impartial investment decisions.

**REPORTING**

At least quarterly, the Treasurer shall submit to the Pension Board an investment report which shall describe the portfolio in terms of investment securities, maturity, cost, transactions and earnings for the current period. The Treasurer shall also submit a comprehensive annual report on the Pension Fund and its activity.

**MEETING SCHEDULE**

The Pension Board shall schedule periodic meetings for the purposes of portfolio and investment manager review. Special meetings may be called from time-to-time by the Pension Board.

**AUDIT**

Pension Fund is subject to periodic examination by Illinois Department of Insurance - Public Pension Division.

## **FILING**

The Board shall file a copy of this policy with the Illinois Department of Insurance, Public Pension Division within thirty (30) days of its adoption. The Board shall make a copy of this Policy available to the public at the main administrative office of the Pension Fund. (40 ILCS 5/1-113.6; 30 ILCS 235/2.5(c))

## **DEFINITIONS**

**Barclay's Corporate Intermediate** – The index includes publicly issued U.S. corporate and specified foreign debentures and secured notes that are SEC registered. The securities must be rated investment grade, fixed rate, dollar-denominated and have maturities typically less than 10 years.

**Barclay's Taxable Municipal Intermediate** – The index includes publicly issued taxable municipal bonds that are rated investment grade. The bonds must be fixed rate with outstanding par value of at least \$7 million. The bonds will have maturities typically less than 10 years.

**Barclay's U.S. Agency 7-10 Year** – The index includes securities publicly issued by U.S. government agencies that are rated investment grade, fixed rate and have at least \$300 million par value outstanding. The securities will have maturities ranging between 7 and 10 years.

**Barclay's U.S. Treasury Intermediate** – The index includes public obligations of the U.S. Treasury that have at least \$250 million in par value outstanding. The securities must be rated investment grade, dollar-denominated and have a fixed rate. Maturities will range from 1 to 10 years.

**Beneficiary** – person eligible for or receiving benefits from a pension fund.

**Book Entry Security** – securities that can be transferred from institution to institution using the federal electronic wire system, thus eliminating the physical transfer of certificates. Records are maintained on a computer system at the Federal Reserve.

**Collateral** – the pledging of a security to guarantee performance of an obligation.

**Current Yield** – percentage derived by taking annual interest from an investment and dividing by current market value.

**Fiduciary** – person entrusted with the control of assets for the benefit of others.

**Investment Manager** – an individual or organization that provides investment management services for a fee, either on a discretionary or nondiscretionary basis. Under Illinois law, an investment manager is considered a fiduciary with respect to the Pension Fund.

**Market Value** – the present price of a given security.

**Morgan Stanley Capital International (EAFE)** – Indices are based on the share prices of approximately 1,600 companies listed on stock exchanges in the twenty-two countries that make up the MSCI National Indices.

**Morningstar Manager Benchmark Taxable Money Market** - the index tracks the performance of the U.S. taxable money market universe.

**Return** – the profit or interest as payment for investment.

**Russell 2000 Stock Index** – is comprised of the smallest 2000 companies in the Russell 3000 index, representing approximately 11% of the Russell 3000 total market capitalization. The Index was developed with a base value of 135.00 as of December 31, 1986.

**Security** – any note, stock, bond, certificate of interest or certificate of deposit.

**Separate Account** – term used of variable annuities. Because the risk is borne by the investor in a variable annuity, the issuer may not commingle funds invested in the variable annuity with the general funds of the issuer.

**Standard & Poor's 500 Stock Index** – is a capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. The index was developed with a base level of 10 for the 1941-43 base period.

**Treasury Bill** – short-term debt obligation of U.S. government which will mature in one year or less at the time of original issuance.

**Treasury Bond** – longer debt obligations of U.S. government which will mature in ten years or longer at the time of original issuance.

**Treasury Note** – debt obligations of U.S. government which will mature in ten years or less at the time of original issuance.

#### **AMENDMENT**

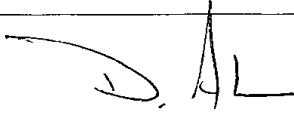
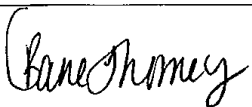
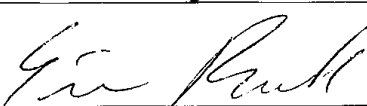
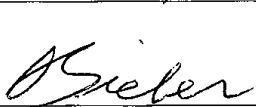
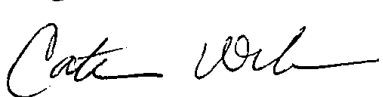
This policy may be amended from time to time by the Pension Board.

#### **CONFLICT**

In the event of any conflict between this Policy and the Illinois Compiled Statutes or case decisions of the State of Illinois, the Statutes and case law decisions shall govern.

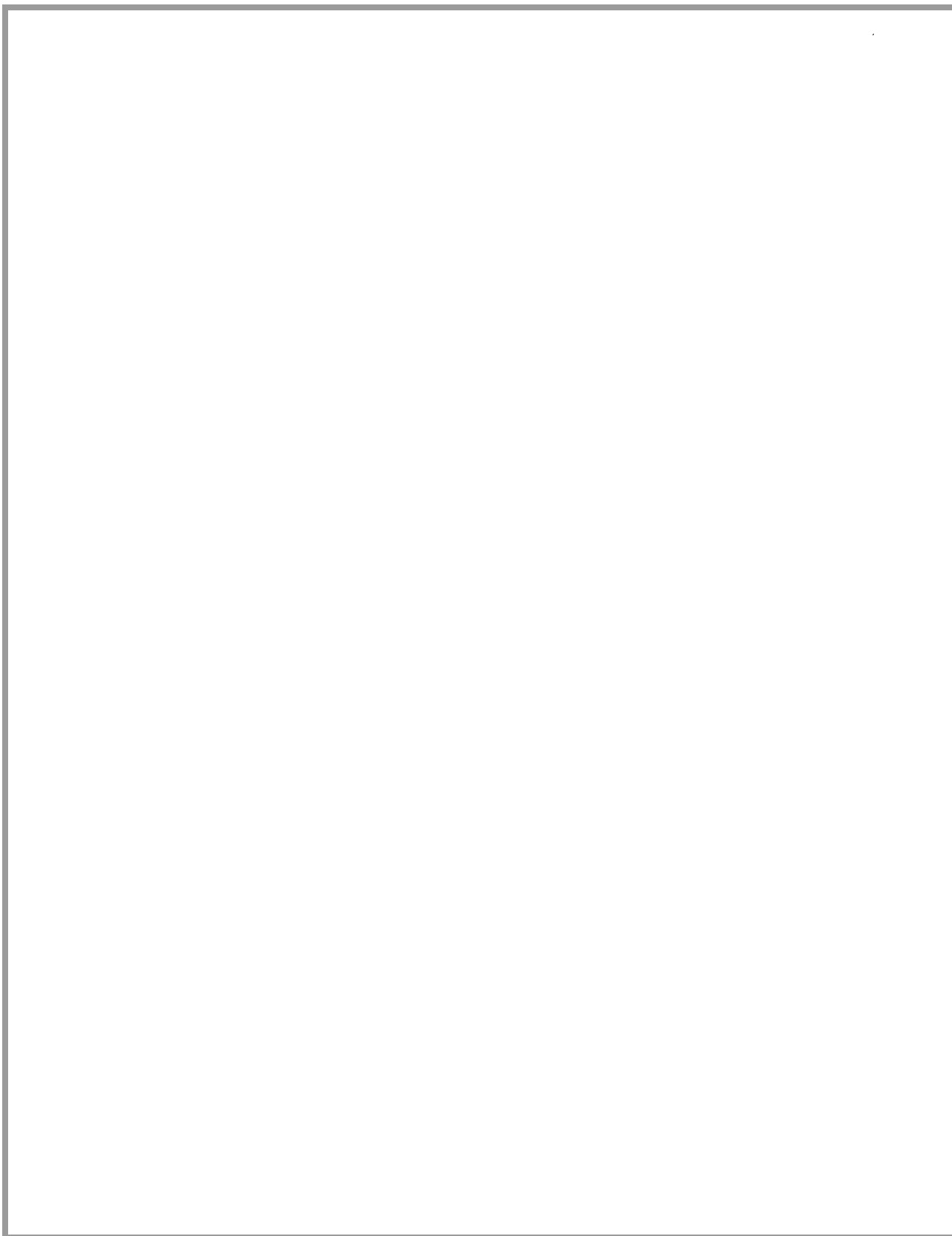
#### **ADOPTION**

This Investment Policy is hereby adopted by the **Lake Zurich Police** Pension Fund Board of Trustees on this the 14<sup>th</sup> day of JULY, 2020.

Title	Signature
President	
Secretary	
Treasurer	
Trustee	
Trustee	
Trustee	

Illinois Police Fire Pension Investment Policy 7/5/2019 - Standard  
Updated 4/1/2020 – Final







*At the Heart of Community*

COMMUNITY DEVELOPMENT DEPARTMENT

505 Telser Road  
Lake Zurich, Illinois 60047

Phone (847) 540-1696  
Fax (847) 726-2182  
LakeZurich.org

AGENDA ITEM

8C

MEMORANDUM

Date: November 1, 2021

To: Ray Keller, Village Manager *RK*

From: Sarosh Saher, Community Development Director

CC: Tim Verbeke, Planner  
Mary Meyer, Building Services Supervisor

Re: **Zoning Application for a Special Use Permit – 676 South Rand Road  
“Bloc” Cannabis Dispensary (Justice Cannabis Company)**

**Issue:** Botavi Wellness, LLC, d/b/a Justice Cannabis Company and represented by Counsel Mr. Craig Krandel (the “Applicant”), has filed a zoning application for the property at 676 South Rand Road (the “Subject Property”). Specifically, the applicant is seeking:

- Special Use Permit approval for a Cannabis Dispensing Organization (5912)

**Village Strategic Plan:** This agenda item is consistent with the following objectives under Goal #2 Development:

- Continue Route 12 Corridor Development
- Expand the Village’s role as a major regional economic hub in Lake County
- Become more business friendly and customer oriented

**Analysis:** The land use is allowed as a special use under “Cannabis Dispensing Organization (5912)” in the B-3 Regional Shopping Business district. The establishment of cannabis dispensaries was approved by the Village Board through Ordinance 2020-12-394 entitled “An Ordinance Amending Title 9 of the Lake Zurich Municipal Code (Regulations for Recreational Cannabis Organizations)” on December 21, 2020.

The land use is proposed on a 1.6-acre (69,260 square-foot) parcel of land containing a vacant commercial building and parking areas. The parcel is part of a larger zoning lot that comprises Home Depot, Costco and a two-tenant retail building containing Verizon Wireless and Pearle Vision immediately across its parking lot.

Special Use Permit – Bloc (Justice Cannabis Company) at 676 South Rand Road  
November 1, 2021

All activities related to the proposed land use are proposed to be conducted within the existing building envelope with modifications to the interior to suit the use. No requests for zoning relief on bulk regulations such as lot area, setbacks, building height, etc., are being requested by the applicant.

Within the envelope of its 1.6-acre parcel (as depicted in the submitted Plat of Survey), the subject property has 50 parking spaces in front of and to the rear of the building and 23 parking spaces across the frontage drive adjacent to the Home Depot and Costco parking lots. Additionally, both parking areas are part of larger shared lots that offer additional parking should the need arise. The minimum required number of parking spaces by code is 4 spaces per 1,000 square feet of gross floor area. The gross floor area of the building on the subject property is approximately 6,800 square feet and requires a minimum of 28 parking spaces.

Hours of operation are currently proposed to be between 8:00 a.m. and 8:00 p.m., 7 days a week. The store is anticipated to employ 20 full and part-time employees, with around 6-12 employees on site at all times during operating hours.

The Planning and Zoning Commission (PZC) held a public hearing on October 20, 2021 to consider the application and voted 4-2 in favor of recommending approval of the Special Use Permit to allow for the establishment of the dispensary.

During discussion, the PZC recommended that staff also work with the Applicant on traffic calming measures along the private circular access road in front of the lot; to eliminate the “butterfly” mural on the Rand Road facing elevation; and to give consideration on maintaining the condition prohibiting visibility of the interior from the exterior in the event that provision is relaxed by the state in the future. These issues were discussed as recommendations and not added to the findings of the PZC. As such, no additional conditions were added other than those recommended by staff. The video stream from the PZC meeting can be accessed via the link: <https://play.champds.com/lakezurichil/event/40>

A detailed evaluation and summary of the project can be found in the Staff Report that was provided to the Planning and Zoning Commission, which is made a part of the attached Ordinance.

**Recommendation:** At their meeting on October 20, 2021, the Planning and Zoning Commission recommended approval of the Special Use Permit incorporating the conditions for approval provided by staff in its report.

Staff therefore recommends approval of the attached ordinance, with its specific attachments based on the following conditions for approval that are contained within said ordinance:

- i. Substantial conformance with the following documentation submitted as part of the application subject to revisions required by Village Staff and applicable governmental agencies:

Special Use Permit – Bloc (Justice Cannabis Company) at 676 South Rand Road  
November 1, 2021

- a. Zoning Application, Cover Letter, and background information dated September 21, 2021, prepared by Mr. Craig S. Krandel, Counsel for the Applicant.
  - b. Exhibit A: Legal Description of the Subject Property
  - c. Plat of Survey prepared by Gremley & Biedermann, dated October 9, 2021.
  - d. Site Plan Submitted on September 21, 2021, depicting location of the building and parking lot.
  - e. Extract from the Plat of Subdivision depicting Lot 5 of Lake Zurich Retail Center Subdivision
  - f. Exterior Elevations Sheet DD01 prepared by Architectures SP dated September 15, 2021
  - g. Interior Demolition Plan, Sheet AD100, prepared by Verve Design Studio, dated September 15, 2021
  - h. Floor Plan (Interior), Sheet A100, prepared by Verve Design Studio, dated September 15, 2021.
  - i. Presentation to the Village of Lake Zurich, October 20, 2021 outlining information on the Justice Cannabis Company including goals of the company, operations, plans for job creation in the community, traffic and parking, security, plans and elevations of the facility, and members of the management team.
2. All activity related to the operation of the business shall be conducted within the enclosed building. The special use constituting this cannabis dispensary shall be located within approximately 6,800 square feet of space within the commercial building addressed at 676 South Rand Road as depicted on the Site and Floor Plans submitted by Mr. Craig Krandel, dated September 21, 2021. Such Special Use shall be allowed to continue under successive ownership, so long as the general design and operation is in substantial conformance with the approvals granted by this ordinance. Such Special Use shall expire if this cannabis dispensary is not established within two (2) years of the effective date of this ordinance or ceases operating at the Subject Property for a period of six (6) consecutive months or more.
  3. The establishment and operation of such uses shall conform to the provisions of Title 3 “Business Licensing, Regulation, Taxation, and Fees,” requiring approval of a Certificate of Occupancy and Business License prior to commencing operations.
  4. The proposed hours of operation of this land use constituting this cannabis dispensary shall be no earlier than 8:00 a.m. and not later than 8:00 p.m. with the possibility of reduced hours on certain days. On no instance shall the establishment open for operation earlier than 6:00 a.m. or close later than 10:00 p.m.
  5. The proposed cannabis business establishment at the Subject Property at 676 South Rand Road shall prohibit any person who is under the age of twenty-one (21) years of age from entering such facility, except for cardholders over eighteen (18) years of age who are granted medical access under the Compassionate Use of Medical Cannabis Act.

Special Use Permit – Bloc (Justice Cannabis Company) at 676 South Rand Road  
November 1, 2021

6. The on-premise use of cannabis and cannabis-related products shall be prohibited. For the purposes of this condition the word “premises” shall mean the “...lot, plot or parcel of land, together with the buildings and structures thereon.”
  7. The proposed land use constituting this cannabis dispensary shall be maintained or operated in a manner that does not cause, create, or allow the public viewing of cannabis, or cannabis-related products from any sidewalk, public or private right of way, or any property other than the lot on which such use is located. No portion of the exterior of the facility shall utilize or contain any flashing lights, search lights, right-of-way spot lights or any similar lighting system. All exterior signage shall require approval through a sign permit.
  8. The land use shall implement and maintain a security and surveillance plan in accordance with state statute 410 ILCS 705/15-100 for such businesses, and in accordance with the narrative included within the application submitted by Mr. Craig Krandel dated September 21, 2021.
  9. The development containing the proposed land use shall be in compliance with all other applicable codes and ordinances of the Village of Lake Zurich and with Illinois law, as amended from time to time, including the compliance inspection as mandated by state statute 410 ILCS 705/15-100 for such businesses. To the extent any of the provisions herein are lawful, but more restrictive than Illinois law, as amended, the provisions herein shall control.
- Approval Ordinance including the following exhibits
    - Exhibit A – Legal description of the Subject Property
    - Exhibit B – October 20, 2021 staff report and planning and zoning commission recommendation/conditions



VILLAGE OF LAKE ZURICH  
ORDINANCE NO. 2021-11-\_\_\_\_



**AN ORDINANCE APPROVING A SPECIAL USE PERMIT  
"Bloc" Cannabis Dispensary – 676 South Rand Road**

**WHEREAS**, Botavi Wellness, LLC, d/b/a Justice Cannabis Company is the applicant (the "Applicant") for a special use permit for that property at 676 South Rand Road (the "Subject Property"), legally described in Exhibit A hereto; and

**WHEREAS**, the Applicant has filed zoning application PZC 2021-12, dated September 21, 2021 (the "Application") seeking the approval of the following:

- Special Use Permit approval for a Cannabis Dispensing Organization (5912)

**WHEREAS**, establishment of cannabis dispensaries was approved by the Village Board through Ordinance 2020-12-394 entitled "An Ordinance Amending Title 9 of the Lake Zurich Municipal Code (Regulations for Recreational Cannabis Organizations)" on December 21, 2020; and

**WHEREAS**, the Subject Property is zoned within the Village's B-3 Regional Shopping Business District; and

Whereas, the land use "Cannabis Dispensing Organization (5912)" is allowed as a special use in the B-3 Regional Shopping Business district; and

**WHEREAS**, Applicant proposes to occupy an approximately 6,800 square-foot building on an approximately 1.6-acre parcel located within Lake Zurich Retail Center Subdivision to accommodate said cannabis dispensing organization; and

**WHEREAS**, in compliance with the law, and the requirements of the Village of Lake Zurich Zoning Code, notice was published on October 2, 2021, in The Daily Herald, and the Village of Lake Zurich posted a public hearing sign on the Subject Property on October 4, 2021, both the newspaper and sign notices informing the public of a public hearing to be held before the Lake Zurich Planning and Zoning Commission (the "PZC") on October 20, 2021, to consider the Application for this requested zoning authority and approval; and

**WHEREAS**, the PZC received and considered the findings, conditions and recommendations as set forth the staff report dated October 20, 2021, (the "STAFF REPORT") which was provided to the PZC for the meeting, addressing the request for approval of said Special Use Permit; and considered all information presented by the Applicant, and the applicable factors required under of the Zoning Code; and, after the conclusion of the public hearing, the PZC recommended that the Board of Trustees of the Village of Lake Zurich grant the special use approval requested in this Application, subject to those conditions of approval recommended by Village staff in said STAFF REPORT; and

**WHEREAS**, the Mayor and Board of Trustees of the Village of Lake Zurich met on November 1, 2021, and considered the findings and recommendations of the PZC, including the STAFF REPORT dated October 20, 2021, all consisting of 13 pages, said required zoning standards, findings and recommendations attached hereto as Exhibit B and having considered all of the facts and circumstances regarding the Application and these recommended approvals, the Mayor and Board of Trustees have determined that the applicable standards for this special use approval has been met.

**NOW, THEREFORE, BE IT ORDAINED** by the Mayor and Board of Trustees of the Village of Lake Zurich, Lake County, Illinois, as follows:

**SECTION 1: ADOPTION AND INCORPORATION OF RECITALS.** The foregoing recitals are incorporated herein as those of the Mayor and Board of Trustees, and Exhibits referenced herein are made a part of and incorporated into this Ordinance and related approval, except as otherwise provided below.

**SECTION 2: GRANT OF SPECIAL USE PERMIT.** The Mayor and Board of Trustees, pursuant to the authority vested in them under the laws of the State of Illinois and Chapter 4 (Section 9-4-3) and Chapter 19 (Section 9-19-3) of Title 9 governing zoning in the Lake Zurich Municipal Code, hereby grant the following approval, as shown and provided in the STAFF REPORT dated October 20, 2021, and final findings and recommendations of the PZC, all consisting of 13 pages, attached hereto as Exhibit B:

Special Use Permit to allow a cannabis dispensing organization (Sic 5912) and subject to the following conditions for approval:

1. Substantial conformance with the following documentation submitted as part of the application subject to revisions required by Village Staff and applicable governmental agencies:
  - a. Zoning Application, Cover Letter, and background information dated September 21, 2021, prepared by Mr. Craig S. Krandel, Counsel for the Applicant.
  - b. Exhibit A: Legal Description of the Subject Property
  - c. Plat of Survey prepared by Gremley & Biedermann, dated October 9, 2021.
  - d. Site Plan Submitted on September 21, 2021, depicting location of the building and parking lot.

- e. Extract from the Plat of Subdivision depicting Lot 5 of Lake Zurich Retail Center Subdivision
  - f. Exterior Elevations Sheet DDO1 prepared by Architectures SP dated September 15, 2021
  - g. Interior Demolition Plan, Sheet AD100, prepared by Verve Design Studio, dated September 15, 2021
  - h. Floor Plan (Interior), Sheet A100, prepared by Verve Design Studio, dated September 15, 2021.
  - i. Presentation to the Village of Lake Zurich, October 20, 2021 outlining information on the Justice Cannabis Company including goals of the company, operations, plans for job creation in the community, traffic and parking, security, plans and elevations of the facility, and members of the management team.
2. All activity related to the operation of the business shall be conducted within the enclosed building. The special use constituting this cannabis dispensary shall be located within approximately 6,800 square feet of space within the commercial building addressed at 676 South Rand Road as depicted on the Site and Floor Plans submitted by Mr. Craig Krandel, dated September 21, 2021. Such Special Use shall be allowed to continue under successive ownership, so long as the general design and operation is in substantial conformance with the approvals granted by this ordinance. Such Special Use shall expire if this cannabis dispensary is not established within two (2) years of the effective date of this ordinance or ceases operating at the Subject Property for a period of six (6) consecutive months or more.
  3. The establishment and operation of such uses shall conform to the provisions of Title 3 "Business Licensing, Regulation, Taxation, and Fees," requiring approval of a Certificate of Occupancy and Business License prior to commencing operations.
  4. The proposed hours of operation of this land use constituting this cannabis dispensary shall be no earlier than 8:00 a.m. and not later than 8:00 p.m. with the possibility of reduced hours on certain days. On no instance shall the establishment open for operation earlier than 6:00 a.m. or close later than 10:00 p.m.
  5. The proposed cannabis business establishment at the Subject Property at 676 South Rand Road shall prohibit any person who is under the age of twenty-one (21) years of age from entering such facility, except for cardholders over eighteen (18) years of age who are granted medical access under the Compassionate Use of Medical Cannabis Act.
  6. The on-premise use of cannabis and cannabis-related products shall be prohibited. For the purposes of this condition the word "premises" shall mean the "...lot, plot or parcel of land, together with the buildings and structures thereon."



7. The proposed land use constituting this cannabis dispensary shall be maintained or operated in a manner that does not cause, create, or allow the public viewing of cannabis, or cannabis-related products from any sidewalk, public or private right of way, or any property other than the lot on which such use is located. No portion of the exterior of the facility shall utilize or contain any flashing lights, search lights, right-of-way spot lights or any similar lighting system. All exterior signage shall require approval through a sign permit.
8. The land use shall implement and maintain a security and surveillance plan in accordance with state statute 410 ILCS 705/15-100 for such businesses, and in accordance with the narrative included within the application submitted by Mr. Craig Krandel dated September 21, 2021.
9. The development containing the proposed land use shall be in compliance with all other applicable codes and ordinances of the Village of Lake Zurich and with Illinois law, as amended from time to time, including the compliance inspection as mandated by state statute 410 ILCS 705/15-100 for such businesses. To the extent any of the provisions herein are lawful, but more restrictive than Illinois law, as amended, the provisions herein shall control.

**SECTION 3: FINDINGS IN SUPPORT OF APPROVAL OF GRANT OF SPECIAL USE PERMITS.** The findings, conditions and recommendations as set forth in the STAFF REPORT dated October 20, 2021, and the PZC recommendations, all consisting of 13 pages, along with the filings provided to the PZC, regarding the applicable standards of Chapter 4 (Section 9-4-3) and Chapter 19 (Section 9-19-3) of Title 9 governing zoning of the Lake Zurich Municipal Code, are hereby accepted as those of the Mayor and Board of Trustees, are incorporated herein by this reference and shall be made a part of the official record for the Application.

**SECTION 4: SEVERABILITY.** If any section, paragraph, subdivision, clause, sentence or provision of this Ordinance shall be adjudged by any Court of competent jurisdiction to be invalid, such judgment shall not affect, impair, invalidate or nullify the remainder thereof, which remainder shall remain and continue in full force and effect.

**SECTION 5: CONFLICTS.** All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict.

**SECTION 6: EFFECTIVE DATE.** This Ordinance shall be in full force and effect upon its passage and approval, as provided by law.

PASSED THIS \_\_\_\_\_ day of November, 2021.

Ayes:

Nays:

Absent:

Abstain:

APPROVED this \_\_\_\_\_ day of November, 2021.

\_\_\_\_\_  
Mayor Tom Poynton

ATTEST:

\_\_\_\_\_  
Village Clerk  
Kathleen Johnson

EXHIBIT A

Legal description of Subject Property

LOT 5 IN LAKE ZURICH RETAIL CENTER, BEING A SUBDIVISION IN THE  
SOUTHWEST ¼ OF SECTION 20, TOWNSHIP 43 NORTH, RANGE 10, EAST OF THE  
THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED  
JULY 7, 2000 AS DOCUMENT 4549283 IN LAKE COUNTY, ILLINOIS.  
Parcels Involved: 14-20-307-007

**EXHIBIT B**

October 20, 2021 staff report and  
Planning and Zoning Commission recommendation and conditions



*At the Heart of Community*

COMMUNITY DEVELOPMENT DEPARTMENT

505 Telser Road  
Lake Zurich, Illinois 60047

(847) 540-1696  
Fax (847) 726-2182  
LakeZurich.org

**APPLICATION PZC 2021-12**  
**PZC Hearing Date: October 20, 2021**

**AGENDA ITEM 4.A**

**STAFF REPORT**

To: Chairperson Stratman and Members of the Planning & Zoning Commission

From: Sarosh Saher, Community Development Director

CC: Tim Verbeke, Planner  
Mary Meyer, Building Services Supervisor

Date: October 20, 2021

Re: PZC 2021-12 Zoning Application for 676 South Rand Road  
Special Use Permit for a Cannabis Dispensary – “Bloc”

**SUBJECT**

Botavi Wellness, LLC, d/b/a Justice Cannabis Company and represented by Counsel Mr. Craig Krandel (the “Applicant”) requests a Special Use Permit to allow a Cannabis Dispensing Organization (otherwise known as a cannabis dispensary) at the property commonly known as 676 South Rand Road, within an existing building in the B-3 Regional Shopping Business District, and legally described in Exhibit A attached hereto (the “Subject Property”).

**GENERAL INFORMATION**

Requested Action:	<u>Special Use Permit</u>
Current Zoning:	<u>B-3 Regional Shopping District</u>
Existing Use	<u>Vacant Commercial Building (former restaurant)</u>
Proposed Uses:	<u>Cannabis Dispensing Organization (SIC #5912)</u>
Property Location:	<u>676 South Rand Road</u>
Applicant:	<u>Botavi Wellness, LLC, d/b/a Justice Cannabis Company</u>
Owner:	<u>HP/R LLC</u>
Staff Coordinator:	<u>Sarosh Saher, Community Development Director</u>

**Staff Report**  
**APPLICATION PZC 2021-12**

**Community Development Department**  
**PZC Hearing Date: October 20, 2021**

**LIST OF EXHIBITS**

- A. Legal Description
- B. Public Hearing Sign
- C. Site Photos
- D. Aerial Map
- E. Zoning Map
- F. Parcel Map
- G. Development Application and Attachments
- H. Development Review Comments

**BACKGROUND**

Botavi Wellness, LLC, d/b/a Justice Cannabis Company and represented by Counsel Craig Krandel (the "Applicant"), with the consent of the owners, HP/R LLC (Hamilton Partners), is proposing a cannabis dispensary at the Subject Property, legally described in Exhibit A attached hereto (the "Subject Property").

The land use is classified as a special use under "Cannabis Dispensing Organization (5912)" in the B-3 Regional Shopping Business district and as such requires consideration through the public hearing process with Village Board approval. The establishment of cannabis dispensaries was approved by the Village Board through Ordinance 2020-12-394 entitled "An Ordinance Amending Title 9 of the Lake Zurich Municipal Code (Regulations for Recreational Cannabis Organizations)" on December 21, 2020.

The regulations allowing for cannabis dispensing organizations are contained within Section 9-4-3 entitled "Special Uses," of Chapter 4 entitled "Business Districts" of Title 9 of the Lake Zurich Municipal Code, added under Subsection C entitled "Retail Trade" Item No. 15 entitled "Cannabis Dispensing Organization," as it pertains to the requested land use. The definitions of such land uses are contained within Chapter 9-24-2 entitled "Definitions."

By definition, the zoning code defines the proposed land use (cannabis dispensing organization) as follows:

**CANNABIS DISPENSING ORGANIZATION:** A facility operated by an organization or business that is licensed by the Illinois Department of Financial and Professional Regulation to acquire cannabis from licensed cannabis business establishments for the purpose of selling or dispensing cannabis, cannabis-infused products, cannabis seeds, paraphernalia or related supplies to purchasers or to qualified registered medical cannabis patients and caregivers, per the Cannabis Regulation and TaxAct, (P.A. 101-0027), Pursuant to 410 ILCS 705/1, et seq, as it may be amended from time-to-time, and regulations promulgated thereunder.

Specifically, the activities allowed by the code at the Subject Property only allow Cannabis Dispensing Organizations and Cannabis Infusing Organizations. (Cannabis growing, cultivation and processing are only allowed in the I Industrial District).

**Staff Report**  
**APPLICATION PZC 2021-12**

**Community Development Department**  
**PZC Hearing Date: October 20, 2021**

The Applicant has therefore filed an application with the Village of Lake Zurich received on September 21, 2021 (the “Application”) seeking:

- Special Use Permit approval for a Cannabis Dispensing Organization (5912)

The land use is proposed on a 1.6-acre (69,260 square-foot) parcel of land containing a vacant commercial building and parking areas. The parcel is part of a larger zoning lot that comprises Home Depot, Costco and a two-tenant retail building containing Verizon Wireless and Pearle Vision immediately across its parking lot.

All activities related to the proposed land use are proposed to be conducted within the existing building envelope with modifications to the interior to suit the use. No requests for zoning relief on bulk regulations such as lot area, setbacks, building height, etc., are being requested by the applicant.

Within the envelope of its 1.6-acre parcel (as depicted in the submitted Plat of Survey), the subject property has 50 parking spaces in front of and to the rear of the building and 23 across the frontage drive adjacent to the Home Depot and Costco parking lots. Additionally, both parking areas are part of larger shared lots that offer additional parking should the need arise. The minimum required number of parking spaces by code is 4 spaces per 1,000 square feet of gross floor area. The gross floor area of the building on the subject property is approximately 6,800 square feet and requires a minimum of 28 parking spaces.

Hours of operation are currently proposed to be between 8:00 a.m. and 8:00 p.m., 7 days a week. The store is anticipated to employ 20 full and part-time employees, with around 6-12 employees on site at all times during operating hours.

Pursuant to public notice published on October 2, 2021, in the Daily Herald, a public hearing has been scheduled with the Lake Zurich Planning & Zoning Commission for October 20, 2021, to consider the Application. On October 4, 2021 the Village posted a public hearing sign on the Subject Property (Exhibit B).

Staff offers the following additional information:

- A. **Courtesy Review.** The Applicant presented their project at a courtesy review of the Village Board on September 20, 2021. The feedback was generally positive and the Village Board recommended that the Applicant proceed with a formal application to the PZC for consideration at a public hearing. Information on the Courtesy Review is enclosed along with this report and the video stream of the meeting can be viewed at the following link: <https://play.champds.com/lakezurichil/event/37>
- B. **Zoning History.** The property is located on Lots 5 of Lake Zurich Retail Center Subdivision that was platted on July 7, 2000. Including the subject property, the subdivision contains 9 lots and includes the lots containing the Costco and Home Depot stores, the former Fifth Third Bank building which is now being used for a dental clinic,

**Staff Report**  
**APPLICATION PZC 2021-12**

**Community Development Department**  
**PZC Hearing Date: October 20, 2021**

the two-tenant retail building and the various outlots for stormwater detention facilities and open space.

The building on Lot 5 (the Subject Property) was constructed in 2002 specifically for the TGI Fridays (TGIF) Restaurant. The building was used as a restaurant until last year when TGIF closed. The building has remained vacant since that time.

- C. Surrounding Land Use and Zoning.** The subject property is located within the B-3 Regional Shopping District along the Rand Road commercial corridor. The land to the north, south, east, and west of the Subject Property is zoned within the B-3 district and improved with a variety of office, retail and service uses.

The land uses surrounding the subject property are as follows:

1. Costco Wholesale Store (680 South Rand Road) to the northeast
2. Home Depot hardware and building materials (670 South Rand Road) to the north
3. Verizon Wireless and Pearle Vision (668 South Rand Road) to the immediate west
4. Oral Implant and Dental Surgery (660 South Rand Road) farther to the west in the former Fifth Third Bank building
5. Regal Cinemas (755 South Rand Road) to the south across Rand Road
6. Beelow's Steakhouse (763 South Rand Road), Walker Brothers Original Pancake House (767 South Rand Road) and Starbucks Café (775 South Rand Road) are located to the southeast of the Subject Property across Rand Road.
7. Metro Self Storage (737 South Rand Road) is located to the southwest across Rand Road.

As a matter of note, the nearest day care facility "Tutor Time" (759 South Rand Road) is located to the south of the three restaurants listed in Item 6 above and at a distance of approximately 590 feet (lot line to lot line) or 800 feet (building corner to building corner) and outside of the required 500-foot buffer.

The nearest residences are located approximately 680 feet to the east along Grand Avenue, approximately 700 feet to the north within Concord Village (behind the Costco and Home Depot), and approximately 900 feet to the south within Deer Park. It should be noted that no separation/buffer is required from residential uses.

- D. Trend of Development.** The subject property is located in a well-established retail center along the Rand Road corridor. Rand Road is a regional arterial street that connects a number of communities in Southwest Lake County and surroundings counties to Lake Zurich. The intersection of the access drive to the property and Rand Road is a signalized intersection.

The proposed cannabis dispensary is a retail use being proposed within the well-established retail center.



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- E. Zoning District.** The B-3 Regional Shopping District is intended to provide locations for major retail centers. The regulations are designed to encourage a broad range of attractive retail and compatible service uses in those centers.

**GENERAL FINDINGS**

Staff of the Village's Development Review Team (DRT) has evaluated the development against the various standards and provisions of the Lake Zurich Municipal Code and offers findings on specific sections of the Code.

**9-19-3: STANDARDS FOR SPECIAL USE PERMITS.**

Staff has reviewed the plan and found that the development proposal will continue to remain in substantial conformance with the standards for Special Use Permits as outlined below.

- A. General Standards:** No special use permit shall be recommended or granted unless the applicant shall establish substantial conformance with the following:

1. **Zoning Code and Plan Purposes:** The proposed use and development will be in harmony with the general and specific purposes for which this zoning code was enacted and for which the regulations of the district in question were established and with the general purpose and intent of the official comprehensive plan.

**Staff Response: Standard met. The proposed retail use will continue to remain in substantial conformance with the purpose and intent of the B-3 regional shopping business district, and the land use designation of the adopted Comprehensive Plan.**

2. **No Undue Adverse Impact.** The proposed use and development will not have a substantial or undue adverse effect upon adjacent property, the character of the area, or the public health, safety, and general welfare.

**Staff Response: Standard met. The cannabis dispensary is a land use that is allowed as a special use within the B-3 regional shopping business district. All activities will take place within the enclosed commercial building and will have minimal impact to the immediately adjacent parcels. The surrounding parcels contain larger retail establishments such as Costco and Home Depot. As such the retail center is designed to handle the larger amount of customer traffic entering and leaving the property from Rand Road and the areas to the north.**

**The Applicant, Justice Cannabis Company, has a National Security Director that will oversee the operations at the Subject Property. The facility will be operated under security and surveillance plans in accordance with State Statute 410 ILCS 705/15-100 for such businesses.**

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**The business has demonstrated that it will not have any substantial or undue adverse effect upon any adjacent properties and does not adversely impact the public health, safety, and general welfare of the Village.**

3. No Interference with Surrounding Development. The proposed use and development will be constructed, arranged, and operated so as not to dominate the immediate vicinity or to interfere with the use and development of neighboring property in accordance with the applicable district regulations.

**Staff Response: Standard met. The entirety of the business and its activities will be operated within a 6,800 square-foot enclosed building. The building is an existing building that was constructed for use by a restaurant. Modifications to the interior are proposed to accommodate the new cannabis retail dispensary. The exterior of the building will be modified to replace the former TGIF corporate branded design with a new exterior design for the facades suited to the proposed land use. New wall signage with the name “Bloc” will be installed.**

4. Adequate Public Facilities. The proposed use and development will be served adequately by essential public facilities and services such as streets, public utilities, drainage structures, police and fire protection, refuse disposal, parks, libraries, and schools, or the applicant will provide adequately for such services.

**Staff Response: Standard met. The proposed development is currently served by and will continue to be served adequately by essential public facilities and services such as streets, utilities, drainage (stormwater management facilities) and other municipal services. No change in impact these are anticipated at this time.**

5. No Traffic Congestion. The proposed use and development will not cause undue traffic congestion nor draw significant amounts of traffic through the surrounding streets.

**Staff Response: Standard met. The Subject Property is primarily served by Rand Road. Rand Road is a regional arterial street that connects a number of communities in Southwest Lake County and surrounding counties to Lake Zurich. Secondary access to the Subject Property is by means of June Terrace a local street that connects the Subject Property to IL Rt 22 and residential properties to the north and northeast.**

**The subject property has 50 parking spaces in front of and to the rear of the building and 23 across the frontage drive adjacent to the Home Depot and Costco parking lots. Additionally, both parking areas are part of larger shared lots that offer additional parking should the need arise. The minimum required number of parking spaces by code is 4 spaces per 1,000 square feet of gross floor area. The gross floor area of the building on the subject property**

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is approximately 6,800 square feet and requires a minimum of 28 parking spaces.

6. No Destruction of Significant Features. The proposed use and development will not result in the destruction, loss, or damage of any natural, scenic, or historic feature of significant importance.

**Staff Response: Standard met. The proposed use will not result in the destruction or removal of any natural features. The proposed use will be conducted entirely within an existing building on an already improved lot.**

7. Compliance with Standards. The proposed use and development complies with all additional standards imposed on it by the particular provision of this Code authorizing such use.

**Staff Response: Standard met. No modifications to the site are being proposed that would require additional compliance with the requirements of the zoning code.**

8. Positive Effect. The proposed special use creating a positive effect for the zoning district, its purpose, and adjacent properties shall be placed before the benefits of the petitioner.

**Staff Response: Standard met. The proposed land use will continue to have a positive effect on the zoning district by utilizing an otherwise vacant retail space in the B-3 regional shopping business district.**

- B. Special Standards for Specified Special Uses. When the district regulations authorizing any special use in a particular district impose special standards to be met by such use in such district, a permit for such use in such district shall not be recommended or granted unless the applicant shall establish compliance with such special standards.

**Staff Response: Standard met. Cannabis dispensaries are subject to the following additional standards for the special use. The proposed dispensary meets these requirements. These conditions will additionally be added to the conditions for approval within the enabling ordinance.**

- a. *The establishment and operation of such uses shall conform to the provisions of Title 3 "Business Licensing, Regulation, Taxation, and Fees."*  
**The business will be required to obtain a Certificate of Occupancy and Business License from the village before commencing operations.**
- b. *Such uses shall not be located within five hundred feet (500 feet) of the property line of any school, daycare facility or group home*  
**The use will not be located within 500 feet of any of these uses. Of the three types of uses mentioned above, the nearest is a daycare facility (Tutor Time),**

**Staff Report**  
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**which is located approximately 590 feet (lot line to lot line) or 800 feet (building corner to building corner) and outside of the required 500-foot buffer.**

- c. *Such uses shall not be located within two hundred fifty feet (250 feet) of the property line of any parks or property intended for recreational purposes.*  
**There are no parks or properties intended for recreational purposes located within 250 feet of the Subject Property.**
- d. *Such uses shall not be located within 1,500 feet (state law) of any other Cannabis Business Establishment as defined in Chapter 9-24-2.*  
**There are no other cannabis business establishments located within 1,500 feet of the Subject Property. This is the only land use of its kind proposed within the community.**
- e. *Such uses may open for operation no earlier than 6:00 a.m. and close no later than 10:00 p.m.*  
**The proposed hours of operation are 8:00 a.m. to 8:00 p.m. with the possibility of reduced hours on certain days, once the business is established.**
- f. *Such Uses shall prohibit any person who is under the age of twenty-one (21) years of age from entering such facility, except for cardholders over eighteen (18) years of age who are granted medical access under the Compassionate Use of Medical Cannabis Act.*  
**The Applicant is required to comply with this requirement by State statute and will be required to post signs stating such requirement.**
- g. *The on-premise use of cannabis and cannabis-related products shall be prohibited.*  
**The Applicant has agreed to that requirement and will be required to post signs stating such requirement.**
- h. *No cannabis related uses shall be maintained or operated in a manner that causes, creates, or allows the public viewing of cannabis, or cannabis-related products from any sidewalk, public or private right of way, or any property other than the lot on which such use is located. No portion of the exterior of the facility shall utilize or contain any flashing lights, search lights, right-of-way spot lights or any similar lighting system.*  
**The applicant proposed to install signage that will only contain the dispensary name "Bloc" which will be in line with all other dispensaries owned and operated by the Justice Cannabis family of dispensaries. The Applicant has also stated that they do not include any cannabis type decorations or blatant verbiage anywhere in company advertising. Additionally, no flashing lights, search lights, right-of-way spot lights or any similar lighting system are being proposed on the exterior of the building.**
- i. *All cannabis related uses shall implement and maintain a security and surveillance plan in accordance with state statute 410 ILCS 705/15-100 for such businesses.*

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The Applicant has applied for and been awarded a license by the state to operated under the requirements of state statute 410 ILCS 705/15-100. The security and surveillance plan are as follows:

- The facility will have 30 to 50 high-definition cameras located throughout the building inside and out.
- The cameras will have facial recognition ability and the ability to read license plates.
- The company will offer the local police a direct feed into all cameras.
- The store will have two (2) armed security guards on site during all business hours.
- Access to all money, product and technology is biometrically protected and limits access to Manager and Assistant Manager.

C. Considerations. In determining whether the applicant's evidence establishes that the foregoing standards have been met, the Plan Commission and the Board of Trustees shall consider:

1. Benefit. Whether and to what extent the proposed use and development at the particular location requested is necessary or desirable to provide a service or a facility that is in the interest of the public convenience or that will contribute to the general welfare of the neighborhood or community.

**Staff Response: Standard met. The proposed land use will bring a new activity to the community that was recently approved by the Village Board in December 2020. Residents of the village will be provided with a convenient location to purchase recreational cannabis within a retail establishment.**

2. Alternative Locations. Whether the purposes of the zoning code can be met by the location of the proposed use and development in some other area or zoning district that may be more appropriate than the proposed site.

**Staff Response: Standard met. There is no evidence that the proposed location is inappropriate for the proposed land use, so an alternative location would not be any more appropriate than the proposed location. Additionally, the zoning classification, separation and disbursement requirements of the regulations restricts the location of the establishment to a few locations within the office, business and industrial districts.**

3. Mitigation of Adverse Impacts. Whether all steps possible have been taken to minimize any substantial or undue adverse effects of the proposed use and development on the immediate vicinity through building design, site design, landscaping, and screening.

**Staff Response: Standard met: The existing commercial building offers an ideal location for the proposed land use. The cannabis dispensary will be established and operated in a manner to prevent any undue adverse effect on itself or on adjacent surrounding property in relation to its location, design**

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**and operation. All primary activities of the proposed use are to be conducted within the enclosed 6,800 square-foot building.**

**RECOMMENDATION**

The recommendation of the Planning and Zoning Commission should be based on the standards included in the following Sections of the Lake Zurich Municipal Code:

- Section 9-19-3: Standards for Special Use Permits

Based on the review of staff, the standards for approval have been met and/or clarified and therefore staff recommends that the Planning and Zoning Commission make these standards a part of the official record of the Application.

Staff of the Community Development Department therefore recommends the approval of Application PZC 2021-12, subject to the following conditions:

1. Substantial conformance with the following documentation submitted as part of the application subject to revisions required by Village Staff and applicable governmental agencies:
  - a. Zoning Application, Cover Letter, and background information dated September 21, 2021, prepared by Mr. Craig S. Krandel, Counsel for the Applicant.
  - b. Exhibit A: Legal Description of the Subject Property
  - c. Plat of Survey prepared by Gremley & Biedermann, dated October 9, 2021.
  - d. Site Plan Submitted on September 21, 2021, depicting location of the building and parking lot.
  - e. Extract from the Plat of Subdivision depicting Lot 5 of Lake Zurich Retail Center Subdivision
  - f. Exterior Elevations Sheet DD01 prepared by Architectures SP dated September 15, 2021
  - g. Interior Demolition Plan, Sheet AD100, prepared by Verve Design Studio, dated September 15, 2021
  - h. Floor Plan (Interior), Sheet A100, prepared by Verve Design Studio, dated September 15, 2021.
  - i. Presentation to the Village of Lake Zurich, September 10, 2021 containing information, background, and general information on the Justice Cannabis Company.
2. All activity related to the operation of the business shall be conducted within the enclosed building. The special use constituting this cannabis dispensary shall be located within approximately 6,800 square feet of space within the commercial building addressed at 676 South Rand Road as depicted on the Site and Floor Plans submitted by Mr. Craig Krandel, dated September 21, 2021. Such Special Use shall be allowed to continue under successive ownership, so long as the general design and operation is in substantial conformance with the approvals granted by this ordinance. Such Special Use shall expire if this cannabis

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dispensary is not established within two (2) years of the effective date of this ordinance or ceases operating at the Subject Property for a period of six (6) consecutive months or more.

3. The establishment and operation of such uses shall conform to the provisions of Title 3 "Business Licensing, Regulation, Taxation, and Fees," requiring approval of a Certificate of Occupancy and Business License prior to commencing operations.
4. The proposed hours of operation of this land use constituting this cannabis dispensary shall be no earlier than 8:00 a.m. and not later than 8:00 p.m. with the possibility of reduced hours on certain days. On no instance shall the establishment open for operation earlier than 6:00 a.m. or close later than 10:00 p.m.
5. The proposed cannabis business establishment at the Subject Property at 676 South Rand Road shall prohibit any person who is under the age of twenty-one (21) years of age from entering such facility, except for cardholders over eighteen (18) years of age who are granted medical access under the Compassionate Use of Medical Cannabis Act.
6. The on-premise use of cannabis and cannabis-related products shall be prohibited. For the purposes of this condition the word "premises" shall mean the "...lot, plot or parcel of land, together with the buildings and structures thereon."
7. The proposed land use constituting this cannabis dispensary shall be maintained or operated in a manner that does not cause, create, or allow the public viewing of cannabis, or cannabis-related products from any sidewalk, public or private right of way, or any property other than the lot on which such use is located. No portion of the exterior of the facility shall utilize or contain any flashing lights, search lights, right-of-way spot lights or any similar lighting system. All exterior signage shall require approval through a sign permit.
8. The land use shall implement and maintain a security and surveillance plan in accordance with state statute 410 ILCS 705/15-100 for such businesses, and in accordance with the narrative included within the application submitted by Mr. Craig Krandel dated September 21, 2021.
9. The development containing the proposed land use shall be in compliance with all other applicable codes and ordinances of the Village of Lake Zurich and with the compliance inspection as mandated by state statute 410 ILCS 705/15-100 for such businesses.

Respectfully Submitted,

Sarosh Saher  
 Community Development Director

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**LAKE ZURICH PLANNING & ZONING COMMISSION**  
**FINAL FINDINGS & RECOMMENDATIONS**

**FOR 676 SOUTH RAND ROAD**  
**October 20, 2021**

The Planning & Zoning Commission recommends approval of Application PZC 2021-12, and the Planning & Zoning Commission adopts the findings as contained within the Staff Report dated **October 20, 2021** for this Application and subject to any changes or approval conditions as listed below:

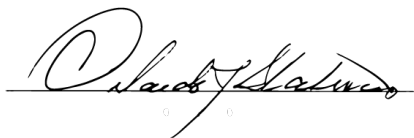
1. Substantial conformance with the following documentation submitted as part of the application subject to revisions required by Village Staff and applicable governmental agencies:
  - a. Zoning Application, Cover Letter, and background information dated September 21, 2021, prepared by Mr. Craig S. Krandel, Counsel for the Applicant.
  - b. Exhibit A: Legal Description of the Subject Property
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  - h. Floor Plan (Interior), Sheet A100, prepared by Verve Design Studio, dated September 15, 2021.
  - i. Presentation to the Village of Lake Zurich, September 10, 2021 containing information, background, and general information on the Justice Cannabis Company.
2. All activity related to the operation of the business shall be conducted within the enclosed building. The special use constituting this cannabis dispensary shall be located within approximately 6,800 square feet of space within the commercial building addressed at 676 South Rand Road as depicted on the Site and Floor Plans submitted by Mr. Craig Krandel, dated September 21, 2021. Such Special Use shall be allowed to continue under successive ownership, so long as the general design and operation is in substantial conformance with the approvals granted by this ordinance. Such Special Use shall expire if this cannabis dispensary is not established within two (2) years of the effective date of this ordinance or ceases operating at the Subject Property for a period of six (6) consecutive months or more.
3. The establishment and operation of such uses shall conform to the provisions of Title 3 "Business Licensing, Regulation, Taxation, and Fees," requiring approval of a Certificate of Occupancy and Business License prior to commencing operations.



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4. The proposed hours of operation of this land use constituting this cannabis dispensary shall be no earlier than 8:00 a.m. and not later than 8:00 p.m. with the possibility of reduced hours on certain days. On no instance shall the establishment open for operation earlier than 6:00 a.m. or close later than 10:00 p.m.
  5. The proposed cannabis business establishment at the Subject Property at 676 South Rand Road shall prohibit any person who is under the age of twenty-one (21) years of age from entering such facility, except for cardholders over eighteen (18) years of age who are granted medical access under the Compassionate Use of Medical Cannabis Act.
  6. The on-premise use of cannabis and cannabis-related products shall be prohibited. For the purposes of this condition the word “premises” shall mean the “...lot, plot or parcel of land, together with the buildings and structures thereon.”
  7. The proposed land use constituting this cannabis dispensary shall be maintained or operated in a manner that does not cause, create, or allow the public viewing of cannabis, or cannabis-related products from any sidewalk, public or private right of way, or any property other than the lot on which such use is located. No portion of the exterior of the facility shall utilize or contain any flashing lights, search lights, right-of-way spot lights or any similar lighting system. All exterior signage shall require approval through a sign permit.
  8. The land use shall implement and maintain a security and surveillance plan in accordance with state statute 410 ILCS 705/15-100 for such businesses, and in accordance with the narrative included within the application submitted by Mr. Craig Krandel dated September 21, 2021.
  9. The development containing the proposed land use shall be in compliance with all other applicable codes and ordinances of the Village of Lake Zurich.
- ☐ Without any further additions, changes, modifications and/or approval conditions.
- ☐ With the following additions, changes, modifications and/or approval conditions:



Planning & Zoning Commission Chairman

**Staff Report**  
**APPLICATION PZC 2021-12**

**Community Development Department**  
**PZC Hearing Date: October 20, 2021**

**EXHIBIT A**

**LEGAL DESCRIPTION OF SUBJECT PROPERTY**

LOT 5 IN LAKE ZURICH RETAIL CENTER, BEING A SUBDIVISION IN THE SOUTHWEST ¼ OF SECTION 20, TOWNSHIP 43 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED JULY 7, 2000 AS DOCUMENT 4549283 IN LAKE COUNTY, ILLINOIS.

Parcels Involved: 14-20-307-007

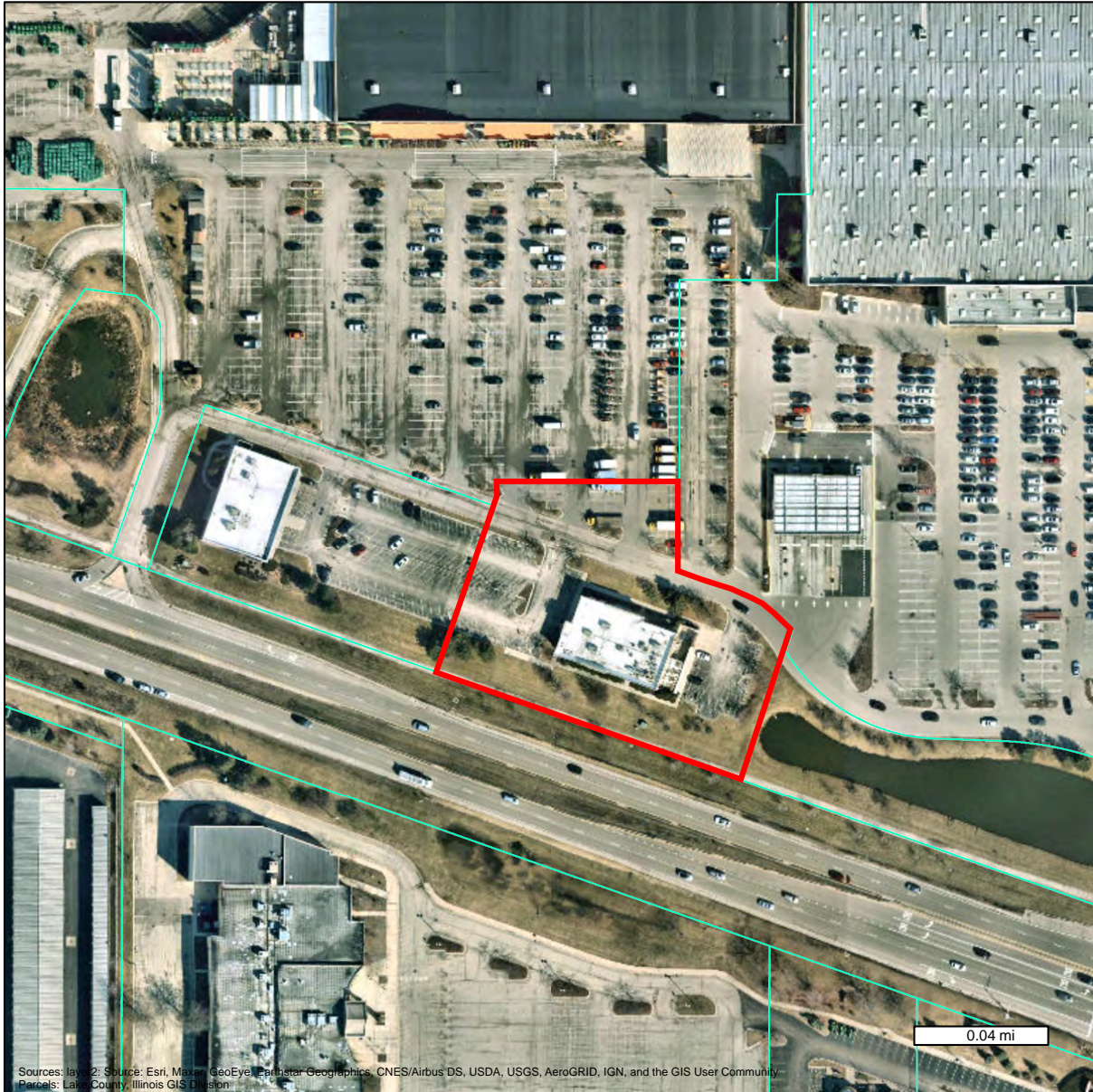
**Staff Report**  
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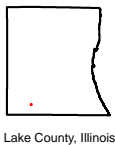
**EXHIBIT B**  
**PUBLIC HEARING SIGNS PRESENT AT SUBJECT PROPERTY**



## 676 S Rand



Sources: Layer 2: Source: Esri, Maxar, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community  
Parcels: Lake County, Illinois GIS Division



Lake County, Illinois



Map Printed on 10/14/2021



- Tax Parcel Lines
- Tax Parcel Information
- Subject Parcel

### Disclaimer:

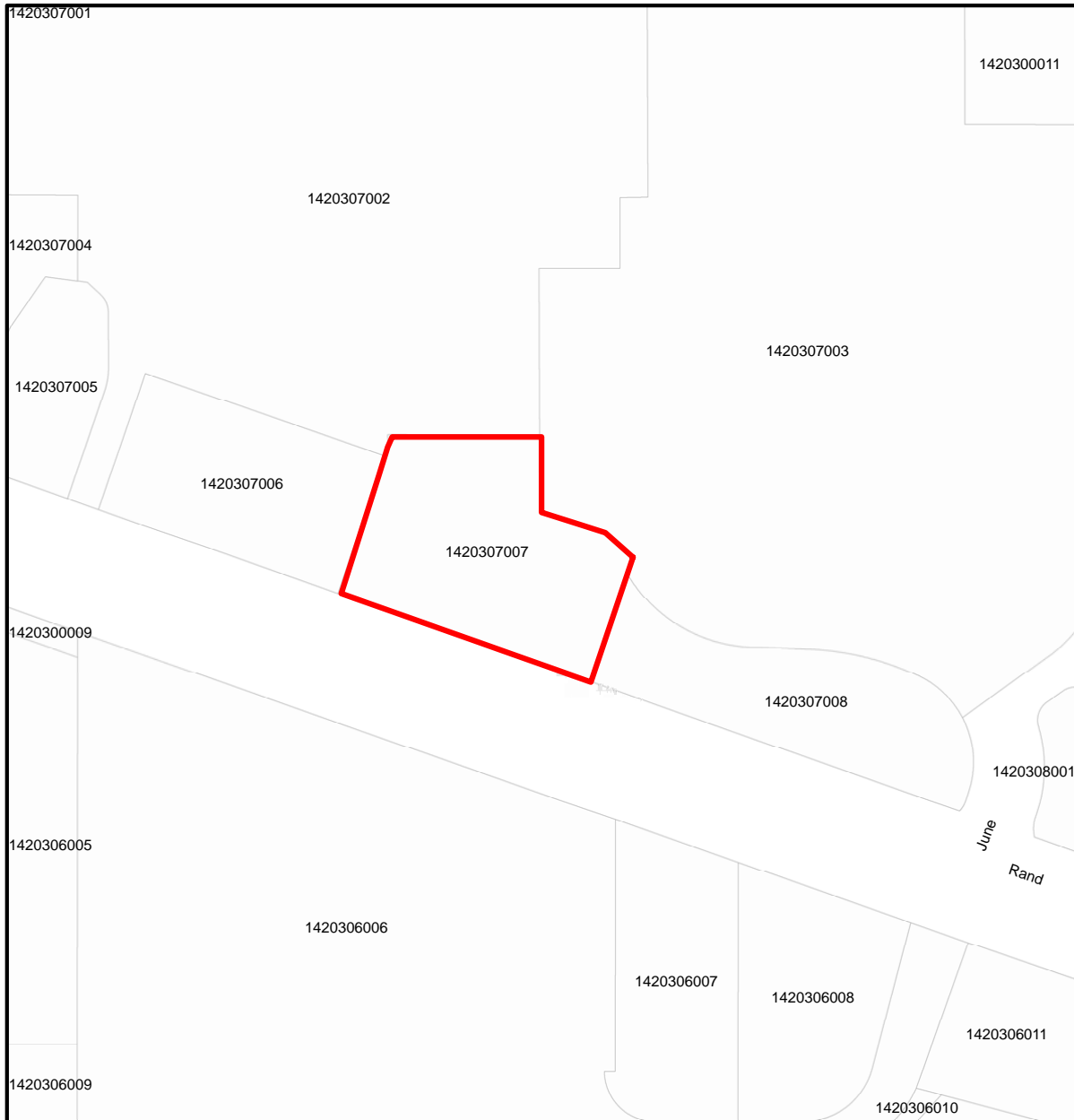
The selected feature may not occur anywhere in the current map extent. A Registered Land Surveyor should be consulted to determine the precise location of property boundaries on the ground. This map does not constitute a regulatory determination and is not a base for engineering design. This map is intended to be viewed and printed in color.





# Justice Cannabis Company

## 676 S Rand Road



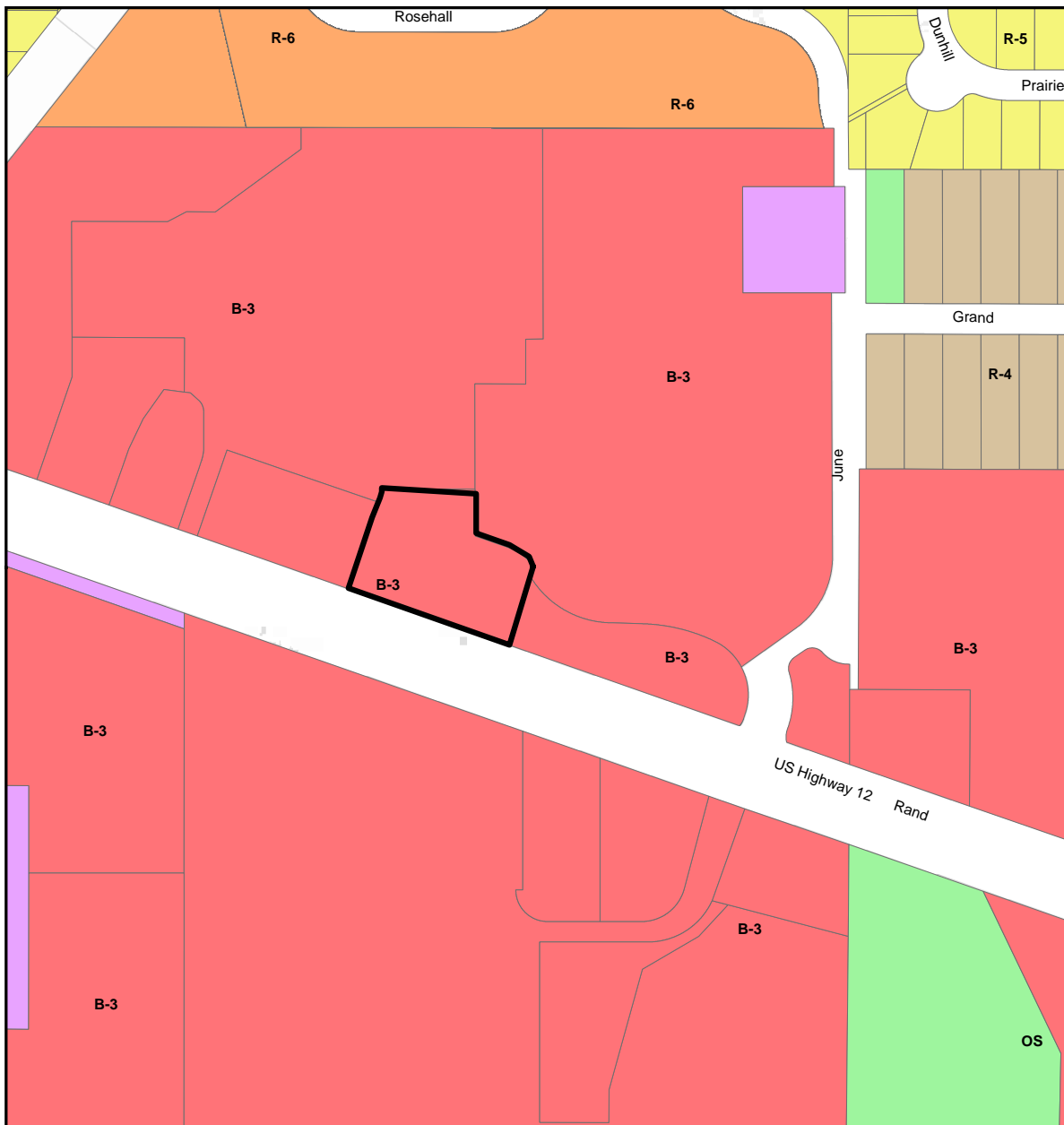
COMMUNITY SERVICES DEPARTMENT  
Building and Zoning Division  
505 Telser Road, Lake Zurich, Illinois 60047

(847) 540-1696  
Fax: (847) 726-2182  
LakeZurich.org



# Justice Cannabis Company

## 676 S Rand Road



COMMUNITY SERVICES DEPARTMENT  
Building and Zoning Division  
505 Telser Road, Lake Zurich, Illinois 60047

(847) 540-1696  
Fax: (847) 726-2182  
LakeZurich.org

Zoning Application Packet  
Prepared by Mr. Craig S. Krandel  
September 21, 2021

# TIMM & GARFINKEL, LLC

September 21, 2021

Village of Lake Zurich  
505 Telser Rd.  
Lake Zurich, IL 60047

Attn: Orlando Stratman  
Planning & Zoning Commission Chairperson

Re: **Botavi Wellness LLC Cannabis Dispensing Organization Application**  
**Property at: 676 South Rand Road (Former TGI Fridays' site)**  
**Our File: 21- 507**

Dear Chairperson Stratman:

We are pleased to have the opportunity to work with the Village of Lake Zurich in the redevelopment of the above property into a Cannabis Dispensary in accordance with the Village's recent amendments to Village Codes to allow for businesses of this nature in the Village. Our team has worked closely with Village Staff and look forward to the opportunity to appear before Planning and Zoning on October 20<sup>th</sup>.

In accordance with Village Ordinances attached please find our client's Application for Special Use pursuant to Section 9-4-3 C-15 for this property as currently Zoned B-3. As further outlined in the Narrative portion of our client's application, the proposed use will meet the requirements of this Section, as well as the overall Special Use standards pursuant to Chapter 19 Section 9-19-3 of Lake Zurich's Zoning Code. We feel that the proposed location and current structure is well-suited for an operation of this nature and will allow our client to meet these criteria without the need for significant structural changes to the exterior of the building as presently exists.

Our client, Botavi Wellness LLC, was fortunate to secure licenses in this region and excited to have the opportunity to open a dispensary in Lake Zurich. As part of the Justice Cannabis Co. family, Botavi will operate the facility under its "Bloc" brand as shall be operated for all of its dispensaries in Illinois. Currently, Justice Cannabis, formerly known as Justice Grown, operates five dispensaries across the United States with an additional fifteen currently under development in 4 other states.

The site proposed for this Application is the former TGI Fridays restaurant and currently is vacant as it was closed down in 2020. Our client feels that the transition of the property a great re-purposing of the building and a location that makes sense in the marketplace as well a major source of tax revenue for the Village. Our client presently wrapping up the terms of their lease of the premises with HP/R LLC, the current owner. The fully executed Letter of Intent for the premises is included as part of our submission package.

407 CONGRESS PARKWAY  
SUITE E  
CRYSTAL LAKE, IL 60014  
(P) 815.477.7476  
(F) 815.333.0480  
[WWW.LTGLEGAL.COM](http://WWW.LTGLEGAL.COM)

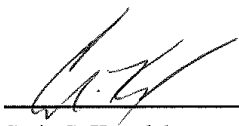
CRAIG KRANDEL  
(D) 815.477.7476  
[CKRANDEL@LTGLEGAL.COM](mailto:CKRANDEL@LTGLEGAL.COM)



We look forward to the opportunity to continue working with Village staff in this matter and to presenting before your Commission and ultimately the Village Board. If anything more you desire or wish to discuss in these regards please do not hesitate to reach back to me. I am best reached on my cell, 815-482-0208 or via email at [ckrandel@ltglegal.com](mailto:ckrandel@ltglegal.com)

Sincerely,

TIMM & GARFINKEL, LLC

By:   
Craig S. Krandel

cc: *Mitchell Zaveduk, Justice Cannabis Co. , Greg Winner, via email*



(Please Type or Print)

**ZONING APPLICATION**

Community Development Department  
505 Telser Rd.  
Lake Zurich, IL 60047  
Phone: (847) 540-1696  
Fax: (847) 540-1769

1. Address of Subject Property: 676 South Rand Road, Lake Zurich, 60047
2. Please attach complete legal description
3. Property Identification number(s): 14-20-307-007
4. Owner of record is: HP/R LLC Phone: 630.250.9700  
E-Mail: tberlinghof@hpre.com Address: 300 Park Blvd., Suite 201, Itasca, IL 60143
5. Applicant is (if different from owner): BOTAVI WELLNESS LLC Phone: 847-989-9287  
E-Mail: mitch@justicecannabisco.com Address: 2108 WEST ERIE, APT 2W CHICAGO, IL 60612
6. Applicant's interest in the property (owner, agent, realtor, etc.): Tenant in process
7. All existing uses and improvements on the property are: Former TGIF restaurant, vacated
8. The proposed uses on the property are: Cannabis Dispensary
9. List any covenants, conditions, or restrictions concerning the use, type of improvements, setbacks, area, or height requirements placed on the Subject Property and now of record and the date of expiration of said restrictions:  
None applicable
10. Describe any contract or agreement of any nature relevant to the sale or disposal of the Subject Property:  
None
11. For applications requiring a public hearing, please attach a list which contains the PIN, owner, and owner's mailing address of all properties located within 250 feet (excluding all Public Right-of-Ways) of the Subject Property.

THE APPLICANT'S SIGNATURE BELOW INDICATES THE INFORMATION CONTAINED IN THIS APPLICATION AND ON ANY ACCOMPANYING DOCUMENTS IS TRUE AND CORRECT.  
THE APPLICANT ALSO ACKNOWLEDGES IF THE CONSULTANT EXPENSES EXCEED THE INITIAL ESCROW DEPOSIT, THE APPLICANT WILL REIMBURSE THE ACCOUNT IMMEDIATELY.

(Name of applicant)

(Signature of applicant)

Subscribed and sworn to before me this \_\_\_\_ day of \_\_\_\_\_, 2021.

(Notary Public)

My Commission Expires \_\_\_\_\_

HP/R LLC a Delaware limited liability company  
By: H.P. Lake Zurich L.L.C., an Illinois limited liability company, its manager

(Name of Owner, if different)

Todd Berlinghof, Managing Member  
of H.P. Lake Zurich L.L.C.

Subscribed and sworn to before me this 20 day of September, 2021.

(Notary Public)

My Commission Expires 5/21/2023

OFFICIAL SEAL  
MARY J DUDEK  
NOTARY PUBLIC - STATE OF ILLINOIS  
MY COMMISSION EXPIRES 05/21/23



(Please Type or Print)

**ZONING APPLICATION**

Community Development Department

505 Teisler Rd.

Lake Zurich, IL 60047

Phone: (847) 540-1696

Fax: (847) 540-1769

1. Address of Subject Property: 676 South Rand Road, Lake Zurich, 60047
2. Please attach complete legal description
3. Property identification number(s): 14-20-307-007
4. Owner of record is: HP/R LLC Phone: 630.250.9700  
E-Mail: therlinghof@hprr.com Address: 300 Park Blvd., Suite 201, Itasca, IL 60143
5. Applicant is (if different from owner): BOTANI WELLNESS LLC Phone: 847-989-9287  
E-Mail: mitch@justicacannabisco.com Address: 2108 WEST ERIE, APT 2W CHICAGO, IL 60612
6. Applicant's interest in the property (owner, agent, realtor, etc.): Tenant in process
7. All existing uses and improvements on the property are: Former TGIF restaurant, vacated
8. The proposed uses on the property are: Cannabis Dispensary
9. List any covenants, conditions, or restrictions concerning the use, type of improvements, setbacks, area, or height requirements placed on the Subject Property and now of record and the date of expiration of said restrictions:  
None applicable
10. Describe any contract or agreement of any nature relevant to the sale or disposal of the Subject Property:  
None
11. For applications requiring a public hearing, please attach a list which contains the PIN, owner, and owner's mailing address of all properties located within 250 feet (excluding all Public Right-of-Ways) of the Subject Property.

THE APPLICANT'S SIGNATURE BELOW INDICATES THE INFORMATION CONTAINED IN THIS APPLICATION AND ON ANY ACCOMPANYING DOCUMENTS IS TRUE AND CORRECT.  
THE APPLICANT ALSO ACKNOWLEDGES IF THE CONSULTANT EXPENSES EXCEED THE INITIAL ESCROW DEPOSIT, THE APPLICANT WILL REIMBURSE THE ACCOUNT IMMEDIATELY.

KAREN HOROWITZ  
(Name of applicant)

Karen Horowitz  
(Signature of applicant)

Subscribed and sworn to before me this 20th day of September, 2021.

[Signature]  
(Notary Public)

My Commission Expires Oct 19, 2024  
NOTARY PUBLIC - STATE OF ILLINOIS  
CRAIG S KRANDEL  
OFFICIAL SEAL  
(Signature of Owner, if different)

(Name of Owner, if different)

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

(Notary Public)

My Commission Expires \_\_\_\_\_

Please indicate what form of zoning relief your application requires. For assistance, please contact Staff:

☐ Zoning Code **Map** Amendment to change zoning of Subject Property from \_\_\_\_ to \_\_\_\_

☐ Zoning Code **Text** Amendment to amend the following section(s) of the Zoning Code \_\_\_\_\_

(See Section 18-103 of the Lake Zurich Zoning Code for specific standards. If a specific parcel is the subject of this amendment, then provide the additional information listed in Section 18-103C.)

☒ Special Use Permit/Amendment for Operation of a Cannabis Dispensary

(See Section 19-103 of the Lake Zurich Zoning Code for specific standards.)

☐ Planned Unit Development/Major Adjustment/Amendment

(Planned Unit Developments are a distinct category of special use and are intended to create a more desirable environment than through strict application of the zoning and subdivision regulations. See Section 22-105 of the Lake Zurich Zoning Code for specific standards. Please list all the 'modifications' requested in the cover letter.)

☐ Variation for \_\_\_\_\_

(See Section 17-104 of the Lake Zurich Zoning Code for specific standards. Please indicate what your specific hardships are in the cover letter.)

☐ Modification to the Land Development Code (includes retaining walls more than 2 feet in height)

(See Section 10-6-18 of the Land Development Code for specific standards.)

☐ Preliminary Plat of Subdivision

☐ Final Plat of Subdivision or Amendment to Plat of Subdivision

(See Sections 10-5-2 and 10-5-9 of the Land Development Code for specific standards.)

☐ Site Plan Approval/Major Adjustment/Amendment

(See Section 20-103 of the Lake Zurich Zoning Code for specific standards.)

☐ Exterior Appearance Approval or Amendment

(See Section 21-103 of the Lake Zurich Zoning Code for specific standards.)

#### **APPLICATION TO ANNEX CERTAIN TERRITORY**

All land annexed to the Village is classified automatically after such annexation in the R-1\2 Single Family Residential District. The owner must file an application for a Zoning Map amendment if he or she desires a different zoning classification for the Subject Property.

☐ Petition to Annex Certain Territory (Please complete attached petition)

☐ Application to Annex Certain Territory

#### **COMPREHENSIVE PLAN APPLICATION**

☐ Comprehensive Plan **Map** Amendment for \_\_\_\_\_

☐ Comprehensive Plan **Text** Amendment for \_\_\_\_\_

**BOTAVI WELLNESS  
Legal Description  
676 South Rand Road  
Lake Zurich. IL**

LOT 5 IN LAKE ZURICH RETAIL CENTER, BEING A SUBDIVISION IN THE SOUTHWEST  $\frac{1}{4}$  OF SECTION 20, TOWNSHIP 43 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED JULY 7, 2000 AS DOCUMENT 4549283 IN LAKE COUNTY, ILLINOIS.

**BOTAVI Wellness LLC, an Illinois limited liability company is applying for a Special Use designation for the property located at 676 South Rand Road (Former TGI Fridays' site) Lake Zurich, IL for the operation of a Cannabis Dispensary as provided for pursuant to Lake Zurich Zoning Code Section 9-4-3 C-15 as recently established by the Village of Lake Zurich for the operation of a fully legal, state-regulated Cannabis Dispensary. Botavi Wellness is an affiliate of Justice Cannabis Co. and has secured the necessary licensing required by the State of Illinois. If approved, the Dispensary shall be operated under the name "Bloc" as will all other dispensaries operated by JG IL LLC d/b/a Justice Cannabis Company an Illinois limited liability company.**

This Dispensary will be the first to be operating in Lake Zurich and we believe well located and fully compliant with all terms and requirements of. Section 9-4-3 C-15 as well for all Special Uses within Lake Zurich (details further outlined below) and will serve all citizens both recreationally, as well those who possess an Illinois Medical Marijuana Card as issued by the State of Illinois.

As noted above the property in question meets the location requirements in that it is located more than: (1) Five hundred feet (500 feet) of the property line of any school, daycare facility or group home, (2) two hundred fifty feet (250 feet) of the property line of any parks or property intended for recreational purposes, (3) 1,500 feet (state law) of any other Cannabis Business Establishment as defined in Lake Zurich Zoning Code Chapter 9-24-2.

In regard to the operation of the dispensary, and in response to some of the questions raised by the Village Staff and as required per Village Code:

#### **Traffic and parking**

The parking at the facility is more than adequate for the needs of a dispensary of this size based on experience with the other dispensaries as operated by Justice Cannabis. In this regard:

1. Within the envelope of its 1.6-acre parcel, the subject property has forty-three parking spaces in front of and to the rear of the building and twenty-seven across the frontage drive adjacent to the Home Depot and Costco parking lots. Additionally, both parking areas are part of larger shared lots that offer additional parking should the need arise. The minimum required number of parking spaces by code is four spaces per 1,000 square feet of gross floor area. The gross floor area of the building on the subject property is 6,800 square feet and as such requires a minimum of twenty-eight parking spaces.
2. Many of the current customers at other facilities pre-order their products, limiting the time they spend in the store.
3. Justice Cannabis' clientele typically come throughout the day and do not follow "rush hour" patterns.

**Loitering/On-site consumption**

- A. Strictly prohibited by law. Our customers know this, and our experience indicates this is not a problem.
- B. Company security guards be enforcing

**Security**

- A. Justice Cannabis has a National Security Director that will oversee the operations. Facility shall be operated under security and surveillance plans in accordance with State Statute 410 ILCS 705/15-100 for such businesses
- B. The facility will have 30 to 50 high-definition cameras located throughout the building inside and out.
- B. The cameras will have facial recognition ability and the ability to read license plates.
- C. Justice Cannabis will offer the local police a direct feed into all cameras.
- D. We will have two (2) armed security guards on site during all business hours.

**Hours of operation**

- A. Typically ask for approvals requested for 8:00 AM to 8:00 PM, but likely will have fewer hours varying by day.
- B. Happy to work with the Community and adjust hours as requested.

**Lighting**

- A. The parking area is currently fully lit for prior use.
- B. Additional lighting to be added as suggested per Village review and applicable codes.
- C. All other applicable building codes for lumens to be followed so as not to disturb adjoining properties.

**Advertising**

- A. Dispensary name will be "Bloc" which will be in line with all other dispensaries operated by the Justice Cannabis family of dispensaries.
- B. We do not include any cannabis type decorations or blatant verbiage anywhere in company advertising.

**Impact on Local Economy –  
Employment**

- A. Generally, six to twelve employees on site at all times, depending on day and time.
- B. Location will employ up to twenty full and part time employees
- C. Will, to the extent possible, look to hire from the local community and typically will have job fairs on site prior to opening.
- D. Advertisement handled through local channels for employees

**Impact on Local Economy  
– Tax Revenue**

- A. As indicated, the Village will receive 3% of gross sales.
- B. Gross sales projected to be between \$500,000 and \$1,000,000 per month.
- C. Based on estimates for this location (based on experiences with other Justice Cannabis' existing dispensaries), it is anticipated that this dispensary will earn towards the high end of that range.

**Special Use Requirements**

In regard to the general Special Use Requirements of Section 9-19-3 of Lake Zurich Village Code we believe the Applicant's proposed use and property in question meet same for the reasons as noted below:

1. Zoning Code and Plan Purposes: The proposed use and development will be in harmony with the general and specific purposes for which this zoning code was enacted and for which the regulations of the district in question were established and with the general purpose and intent of the official comprehensive plan. **The property in question is in a retail development which is well-suited for additional traffic and customers that may contribute to surrounding businesses, as well bring in others from outside of Lake Zurich. The current zoning allows for the proposed use as a Special Use.**

2. No Undue Adverse Impact: The proposed use and development will not have a substantial or undue adverse effect upon adjacent property, the character of the area, or the public health, safety, and general welfare. **The proposed use should be compatible to the adjoining uses and no reason to believe any negative impact, and as noted above moreso a positive impact with additional traffic to the area.**

3. No Interference with Surrounding Development: The proposed use and development will be constructed, arranged, and operated so as not to dominate the immediate vicinity or to interfere with the use and development of neighboring property in accordance with the applicable district regulations. **The building is already in place and any adjustments or additions to landscaping or lighting shall have no impact to the other uses/properties.**

4. Adequate Public Facilities: The proposed use and development will be served by essential public facilities and services such as streets, public utilities, drainage structures, police, and fire protection, refuse disposal, parks, libraries, and schools, or the applicant will provide for such services. **As referenced above, no material changes to be made to the property as currently constructed, and the operation proposed should be no drain upon any of the facilities as noted.**



5. No Traffic Congestion: The proposed use and development will not cause undue traffic congestion nor draw significant amounts of traffic through the surrounding streets. **There should be no significant impacts to the surrounding properties as there are adequate traffic controls in place for this property and able to support the proposed use for the facility.**

6. No Destruction of Significant Features: The proposed use and development will not result in the destruction, loss, or damage of any natural, scenic, or historic feature of significant importance. **With no proposed changes this Standard not applicable.**

7. Compliance with Standards: The proposed use and development complies with all additional standards imposed on it by the particular provision of this zoning code authorizing such use. **The use, pursuant to this process and outlined, will meet all criteria as necessary.**

8. Positive Effect: The proposed special use creating a positive effect for the zoning district, its purpose, and adjacent properties shall be placed before the benefits of the petitioner. **We feel that the proposed use will bring many positive impacts to the Village as well as the surrounding properties and owners.**

**ADJOINING PROPERTY OWNERS  
BOTIVA WELLNESS SPECIAL USE APPLICATION**

14-20-307-002  
HD DEVELOPMENT OF MARYLAND, INC.  
670 S RAND RD  
LAKE ZURICH IL 60047

14-20-307-006  
HAMILTON PARTNERS INC  
668 S RAND RD  
LAKE ZURICH IL 60047

14-20-307-003  
COSTCO WHOLESALE CORP  
680 S RAND RD  
LAKE ZURICH IL 60047

14-20-307-007  
HAMILTON PARTNERS INC  
676 S RAND RD  
LAKE ZURICH IL 60047

14-20-307-008  
HAMILTON PARTNERS INC  
0 RAND RD  
LAKE ZURICH IL 60047

1420306006  
REGAL CINEMAS INC  
755 S RAND RD  
LAKE ZURICH IL 60047

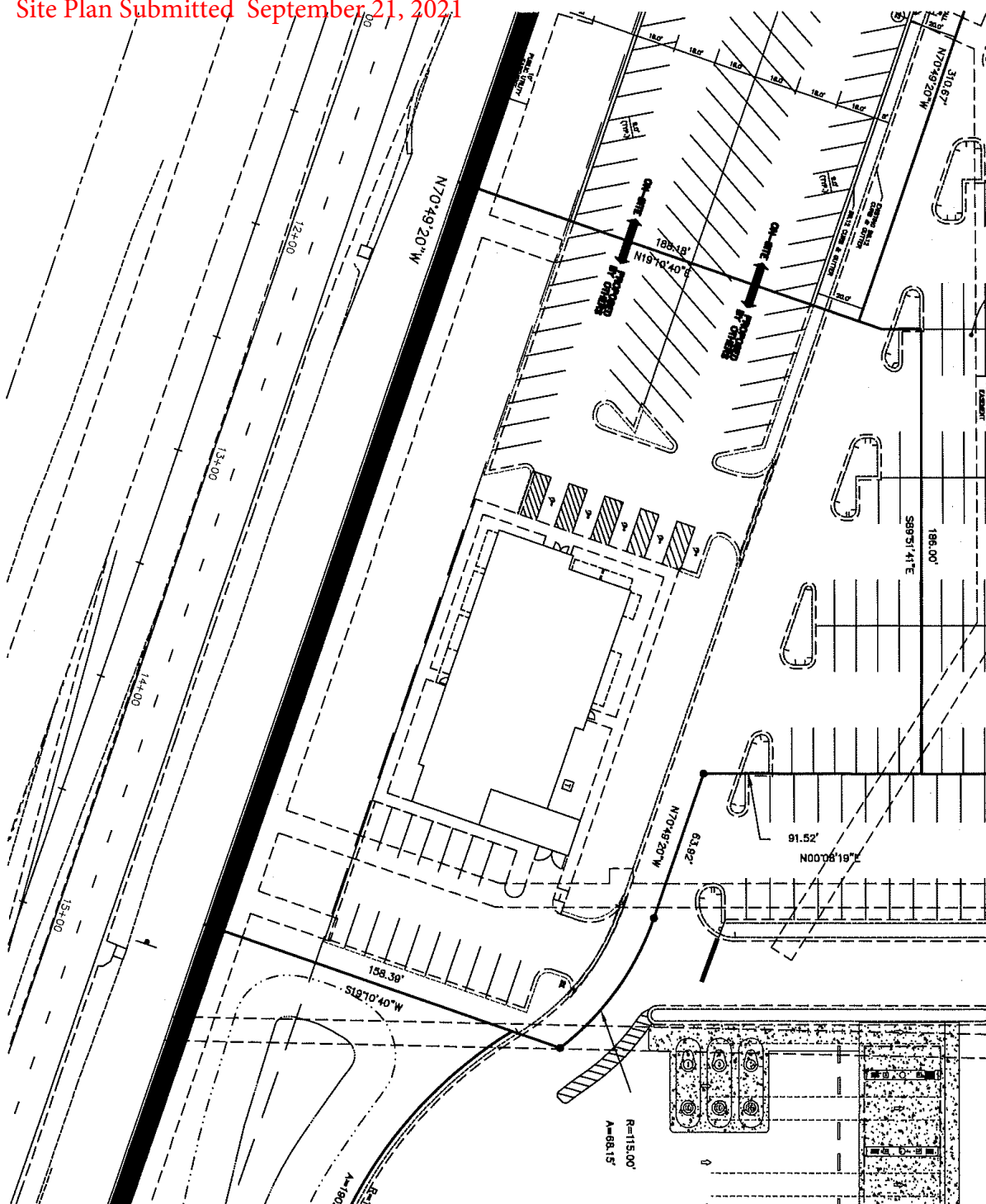
14-20-306-007  
B & B HOSPITALITY GROUP  
763 S RAND RD  
LAKE ZURICH IL 60047

14-20-306-006  
REGAL CINEMAS INC  
755 S RAND RD  
LAKE ZURICH IL 60047

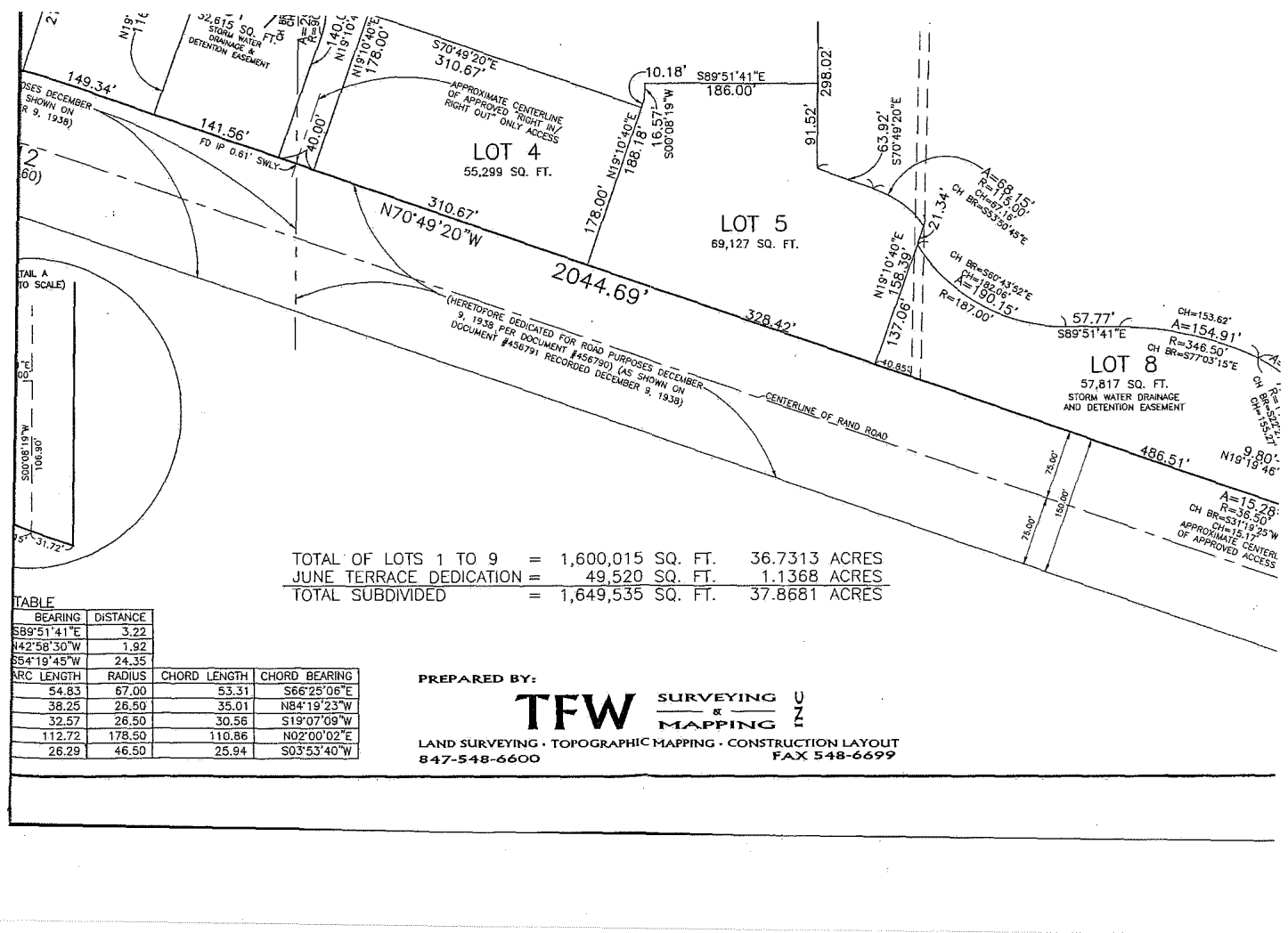
14-20-306-008  
Hotcakes LLC  
767 S Rand Rd  
Lake Zurich, IL 60047



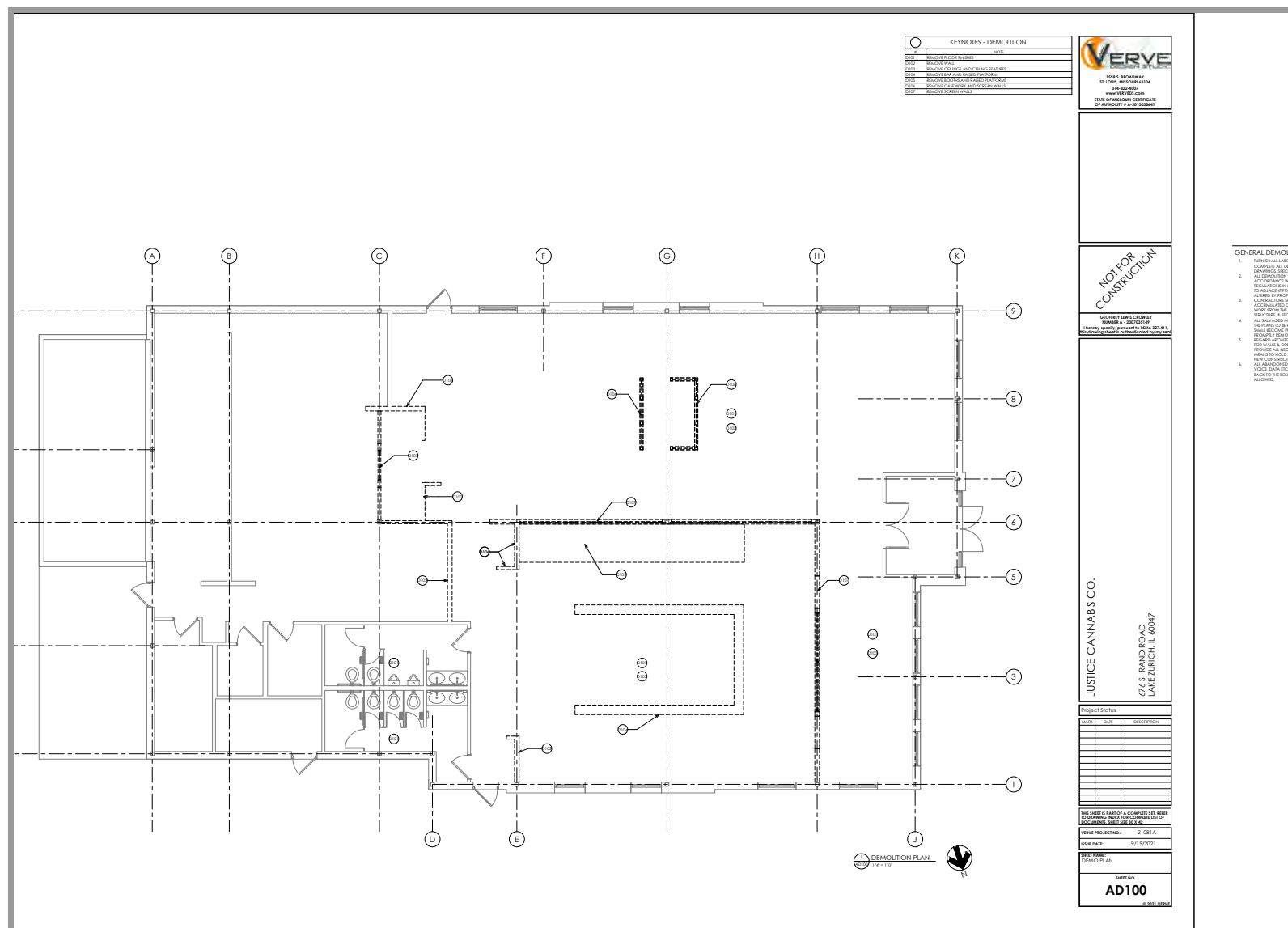
Site Plan Submitted September 21, 2021



Extract from Plat of Subdivision depicting Lot 5











Page 1 of 7

**SPECIAL WARRANTY DEED**  
**(Corporation to Limited Liability Company)**  
**(Illinois)**

4549282

Filed for Record in:  
 LAKE COUNTY, IL  
 MARY ELLEN VANDERVENTER - RECORDER  
 On Jul 07 2000  
 At 8:55am  
 Receipt #: 238923  
 Doc/Type : WD  
 Deputy - Cashier #3

609066 ZC 1 of 7

THIS INDENTURE, made as of the 15<sup>th</sup> day of June, 2000, between W.R. GRACE & CO. - CONN., a Connecticut corporation, having an office at 7500 Grace Drive, Columbia, MD 21044 (the "Party of the First Part") which Party of the First Part is duly authorized to transact business in the State of Illinois, and HP/R LLC, a Delaware limited liability company, having an office c/o Hamilton Partners, Inc., 300 Park Boulevard, Suite 201, Itasca, IL 60143 (the "Party of the Second Part").

WITNESSETH, that the Party of the First Part, for and in consideration of the sum of Ten and no/100 Dollars (\$10.00) and other good and valuable consideration in hand paid by the Party of the Second Part, the receipt whereof and the sufficiency of which are hereby acknowledged, and pursuant to authority of the Board of Directors of said Party of the First Part, by these presents does REMISE, RELEASE, ALIEN AND CONVEY unto the Party of the Second Part and to its heirs and assigns, FOREVER, all that certain real estate, situated in the Village of Lake Zurich, County of Lake and State of Illinois, which real estate is more particularly described on Exhibit A attached hereto and hereby made a part hereof ("Property"), together with all and singular the hereditaments and appurtenances thereunto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all the estate, right, title, interest, claim or demand whatsoever, of the Party of the First Part, either in law or equity, of, in and to the aforesaid Property, with the hereditaments and appurtenances, TO HAVE AND TO HOLD the said Property, unto the Party of the Second Part, its heirs and assigns forever.

This instrument was prepared by:

ELIZABETH K. MCCLOY, ESQ.  
 Sidley & Austin  
 One First National Plaza  
 Chicago, Illinois 60603

1  
 2

Page 3 of 7

IN WITNESS WHEREOF, said Party of the First Part has caused these presents to be executed as of the day and year first above written.

**W. R. GRACE & CO. - CONN., a Connecticut corporation**

By: *AKOS L. NAGY*  
Name: AKOS L. NAGY  
Its: Director of Real Estate

Send Subsequent Tax Bills to:  
HP/R LLC  
c/o Hamilton Partners, Inc.  
300 Park Boulevard, Suite 201  
Itasca, IL 60143  
Attn: James L. Sheridan

After recording return this document to:  
Michael Quinn, Esq.  
D'Ancona & Pflaum  
111 E. Wacker Drive, Suite 2800  
Chicago, IL 60601

4549282

**EXHIBIT A**

**(TO SPECIAL WARRANTY DEED)**

**LEGAL DESCRIPTION OF THE PROPERTY**

See Attached for Legal Description

Address of Property: NE Corner of Intersection between Rand Road and EJ&E  
RR Right of Way, Lake Zurich, Illinois  
Permanent Index Number(s): 14-20-300-008

Subject to:

1. Zoning regulations and ordinances;
2. General taxes not yet due and payable;
3. Title exceptions AA, D, R, S, T, U, Y and Z set forth on Schedule B to Chicago Title Insurance Company's Owner's Policy of Title Insurance issued for Order No. 1409 000609066, dated May 25, 2000; and
4. Any and all Permitted Exceptions, as such terms are defined in that certain Purchase and Sale Agreement dated as of October 22, 1998, by and between the Party of the First Part (as seller) and the Party of the Second Part (as purchaser).

**4549282**

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## LAKE COUNTY, ILLINOIS

Permanent Index Number: 14-20-300-008

EXHIBIT A  
Legal Description

PARCEL 1: THAT PART OF THE WEST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 20, TOWNSHIP 43 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING SOUTHEASTERLY OF THE ELGIN, JOLIET AND EASTERN RAILWAY AND NORTHERLY OF THE CENTER LINE OF U.S. ROUTE NO. 12 (EXCEPT THAT PART THEREOF FALLING WITHIN THE NORTH 653.0 FEET OF SAID WEST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 20), IN LAKE COUNTY, ILLINOIS.

PARCEL 2: THAT PART OF THE EAST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 20, TOWNSHIP 43 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING NORTHERLY OF THE CENTER LINE OF U.S. ROUTE 12 AND SOUTHEASTERLY OF THE ELGIN, JOLIET AND EASTERN RAILWAY COMPANY RIGHT OF WAY (EXCEPTING THAT PART THEREOF DESCRIBED AS FOLLOWS, TO-WIT: BEGINNING AT A POINT ON THE EAST LINE OF SAID HALF QUARTER SECTION, 766.37 FEET SOUTH OF THE NORTHEAST CORNER THEREOF; THENCE WEST AT RIGHT ANGLES TO SAID EAST LINE, 208 FEET; THENCE SOUTH PARALLEL WITH SAID EAST LINE, 208 FEET; THENCE EAST, 208 FEET TO THE EAST LINE OF SAID HALF QUARTER SECTION; AND THENCE NORTH ON SAID EAST LINE, 208 FEET TO THE PLACE OF BEGINNING) AND ALSO (EXCEPT THE NORTH 653.0 FEET THEREOF), IN LAKE COUNTY, ILLINOIS.

4549282

Page 7 of 7

## RECORDER

## AFFIDAVIT - METES AND BOUNDS

STATE OF ILLINOIS

COUNTY OF

} SS.

7500 Grace Drive, Columbia, MD 21044

DOCUMENT NO. \_\_\_\_\_

W.R. Grace & Co. - Conn., being duly sworn on oath, states that  
it has an office located at 4750 Clint Moore Road, Boca Raton, FL 33487. That the  
 attached deed is not in violation of 765 ILCS 205/1 for one of the following reasons:

- (1) The sale or exchange is of an entire tract of land not being a part of a larger tract of land.
2. The division or subdivision of the land is into parcels or tracts of five acres or more of size which does not involve any new streets or easements of access.
3. The division is of lots or blocks of less than one acre in any recorded subdivision which does not involve any new streets or easements of access.
4. The sale or exchange of parcels of land is between owners of adjoining and contiguous land.
5. The conveyance is of parcels of land or interests therein for use as right of way for railroads or other public utility facilities, which does not involve any new streets or easement of access.
6. The conveyance is of land owned by a railroad or other public utility which does not involve any new streets or easements of access.
7. The conveyance is of land for highway or other public purposes or grants or conveyances relating to the dedication of land for public use or instruments relating to the vacation of land impressed with a public use.
8. The conveyance is made to correct descriptions in prior conveyances.
9. The sale or exchange is of parcels or tracts of land following the division into no more than two parts of a particular parcel or tract of land existing on July 17, 1959, and not involving any new streets or easements of access.
10. The sale is of a single lot of less than five acres from a larger tract, the dimensions and configurations of said larger tract having been determined by the dimensions and configurations of said larger tract on October 1, 1973, and no sale prior to this sale, or any lot or lots from said larger tract having taken place since October 1, 1973, and a survey of said single lot having been made by a registered land surveyor.

CIRCLE NUMBER ABOVE WHICH IS APPLICABLE TO ATTACHED DEED.

AFFLIANT further states that it makes this affidavit for the purpose of inducing the Recorder of DuPage County, Illinois, to accept the attached deed for recording.

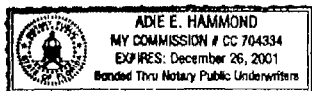
W.R. Grace &amp; Co. - Conn.

By: [Signature]  
 Its: Authorized Representative

SUBSCRIBED AND SWORN TO BEFORE ME

this 16th day of June, 2000.

[Signature]  
 Notary Public



DPPLATAF

4549282

7

Courtesy Review Documentation  
September 20, 2021



*At the Heart of Community*

## VILLAGE MANAGER'S OFFICE

70 East Main Street  
Lake Zurich, Illinois 60047

Phone (847) 540-1693  
Fax (847) 726-2182  
LakeZurich.org

### MEMORANDUM

Date: September 15, 2021

To: Ray Keller, Village Manager

From: Kyle Kordell, Assistant to the Village Manager  
Sarosh Saher, Community Development Director  
Roy Witherow, Assistant Village Manager

Re: **Courtesy Review Proposal for Bloc Cannabis Dispensary at 676 South Rand Road Operated by Justice Cannabis Company**

**Issue:** Justice Cannabis Company proposes to open a Lake Zurich cannabis dispensary called Bloc at 676 South Rand Road (formerly TGI Friday's restaurant), pending approval of a Special Use Permit from the Village Board.

In August 2021, the State of Illinois conducted three lotteries that issued another 185 State licenses for additional dispensary locations. Botavi Wellness, LLC doing business as Justice Cannabis Company secured four State licenses for the Bureau of Labor Statistics Region 5 during these three lotteries.

On December 21, 2020, the Village Board approved zoning regulations to allow cannabis dispensaries in non-residential zoning districts and to formalize restrictions on the location, design and operation of such businesses. Since that time, the Village Board has also approved a municipal sales tax of 3% of the gross purchase price of recreational cannabis products.

**Strategic Plan Impacts:** This policy item is a strategic decision for the Village Board that could potentially impact the following objectives within the Strategic Plan:

- *Goal #1 Financial Sustainability*
  - Maximize existing and identify potential new revenue sources.
- *Goal #2 Economic Development*
  - Focus on Route 12 corridor development.
  - Become more business friendly and customer oriented.
  - Partner with business community to identify its needs and determine how they can be met.

**Background:** Justice Cannabis Company was recently rebranded from Justice Grown, which was founded in Chicago in 2014 by two civil rights attorneys, Jon Loevy and Mike Kanovitz.

Justice Cannabis Company is a growing multi-state operator of several recreational and medical dispensaries and cultivation centers with locations in eight states, including California, Illinois, Pennsylvania, Massachusetts, New Jersey, Michigan, Missouri, and Utah.

Its only location in Illinois is currently a cultivation facility in Edgewood. By November 2021, Justice is expected to break ground at this location on a 190,000 square foot modern glass greenhouse operation with kitchen and extraction capabilities. This is expected to be completed by July 2022.

Jon Loevy and Mike Kanovitz also manage Loevy & Loevy of Chicago, a law firm that focuses on social justice and civil rights issues, including wrongful convictions, police shootings, excessive force, and other constitutional claims.

A letter of intent to lease the property at 676 South Rand Road has been secured between Justice Cannabis Company and Hamilton Partners, the property owner. The property was most recently occupied by a TGI Friday's restaurant.

- **How long has this site been vacant?** TGIF closed in March 2020.
- **What are the LZ zoning regulations for recreational cannabis establishments?** The adult-use recreational cannabis zoning regulations approved by the Village Board in December 2020 allow for the location, design and operation of cannabis establishments within the business, office and industrial zoning districts with the approval of a Special Use Permit after a public hearing process.

Location: Cannabis establishments are required to be a minimum of 500 feet from a school, library, day care or group home; 250 feet from a park, and 1,500 feet away from another dispensary (the State's dispersion requirement).

Design: The building premises shall be designed such that no public viewing of cannabis, or cannabis-related products from any sidewalk, public or private right of way, or any property other than the lot on which such use is located will be allowed. The building exterior will not be allowed the use of flashing lights, search lights, right-of-way spot lights or any similar lighting system.

Operation: All activity related to the land use will be required to be conducted within the enclosed building. The zoning regulations also references the applicable State statutes that apply to this highly-regulated industry, such as security, storage and transportation requirements. The State statute for hours of operation are currently set at 6:00 AM to 10:00 PM. The onsite use or consumption of cannabis and cannabis-related products shall be prohibited

The subject property at 676 South Rand Road meets all of these zoning criteria.

- **What are the LZ tax implications?** Lake Zurich's 3% local sales tax on the sales generated from this recreational cannabis dispensary is expected to generate \$200,000 - \$360,000 in sales tax revenue, which is roughly equal to the \$350,000 in annual sales tax



lost by the Peapod closure in Quarter 1 of 2020. The State of Illinois's Cannabis Regulation and Tax Act provides municipalities the authority to issue a local retail tax on recreational cannabis purchased in the municipality in 0.25% increments, up to a maximum of 3% of the purchase price.

**What are nearby towns doing?** For municipalities that have allowed adult-use cannabis dispensary, none have reported issues with increased call volume on emergency services.

- *Wauconda* Board allowed recreational cannabis sales in December 2019, but has not attracted one yet.
- *Antioch* Board allowed recreational cannabis sales in December 2019, but has not attracted one yet.
- *Arlington Heights* Board allowed recreational cannabis sales in July 2020 only at one location, the same establishment that has been selling medical cannabis since mid-2018 on Arlington Heights Road. Police Department reports no impact in terms of public safety call volume. Arlington Heights formed a Cannabis Task Force to review any incidents related to the dispensary, but the task force was ultimately disbanded as the impact was minimal to non-existent.
- *Deerfield* Board allowed recreational cannabis sales in November 2019 but has not attracted one yet. Deerfield does have one medical-only dispensary at 151 South Pfingsten Road.
- *Buffalo Grove* Board agreed to allow recreational cannabis sales in October 2019 but has not attracted one yet. Buffalo Grove does have a medical-only dispensary at 830 Milwaukee Avenue.
- *Schaumburg* Board agreed to allow recreational cannabis sales in October 2019 and has attracted three dispensaries, two on Golf Road near Woodfield Mall and one on Barrington Road. Police report they have not seen an increase in call volume associated with these locations.
- *Skokie* Board agreed to allow recreational cannabis sales in October 2019 and has attracted one dispensary across the street from Old Orchard Mall on Skokie Boulevard. Police report zero increase in call volume or public safety impact.
- *Streamwood* Board agreed to allow recreational cannabis in December 2019 but has not yet attracted one.

- *Rolling Meadows* Agreed to allow recreational cannabis in December 2019. Rolling Meadows police report the only issue is an increase in vehicular and pedestrian traffic around its dispensary at 975 Rohlwing Road and nearby businesses complaining the dispensary customers were using their parking lots.
- *Northbrook* Board agreed to allow recreational cannabis in October 2019. Northbrook Police reports their dispensary has not depleted police resources or generated a notable volume of activity.
- *Deer Park* Amended its zoning code to allow for a dispensary as a Special Use within a limited geographic area but has not attracted one yet.
- *Hawthorn Woods* Banned recreational dispensaries in September 2020. Held an adult-use dispensary discussion in July 2021 to consider such a future use, although at this time no zoning regulations for dispensaries have approved.
- *Highland Park* Agreed to allow recreational cannabis in October 2020. Has attracted one recreational dispensary located on Old Skokie Valley Road. Highland Park reports zero issues or negative impacts on the community from this dispensary.
- *Kildeer* Banned recreational dispensaries in November 2019.
- *Long Grove* Banned recreational dispensaries in September 2019.
- *Barrington* Banned recreational dispensaries in November 2019.
- *North Barrington* Banned recreational dispensaries in November 2019.
- *Glencoe* Banned recreational dispensaries in December 2019.
- *Lincolnshire* Banned recreational dispensaries in December 2019.
- *Vernon Hills* Banned recreational dispensaries in November 2019.
- *Grayslake* Banned recreational dispensaries in August 2019.

**Staff Feedback:**

- **Police Department:**  
“Police departments in the region that have cannabis dispensaries in their jurisdictions do not report an increase in calls for service. We remain cautiously optimistic that this would hold true for Lake Zurich.” - Chief Husak
- **Community Development Department:**  
“The proposed dispensary will allow for increased regional economic activity in Lake Zurich related to a growing industry while limiting it in a way as to minimize potential impacts on the community and filling a building on Rand Road that has been vacant for 1½ years.” -Director Saher

**Facts about Cannabis Legalization in Illinois:** On January 1, 2020 it became legal for adults 21 and older to purchase, possess, and consume cannabis for recreational purposes.

Here are some important facts to keep in mind:

- Cannabis can only be legally sold at licensed dispensaries and, like alcohol, it is illegal to sell to minors under 21.
- Possession of cannabis by persons under 21 is illegal and can be grounds for revoking a minor’s driver’s license if a motor vehicle is involved at the time of an offense.
- It is illegal to consume cannabis in any public place, including parks, sidewalks, restaurants, bars, and any other place where smoking is prohibited under the Smoke Free Illinois Act.
- Adults are allowed to consume cannabis in their own residences, although landlords/management companies are able to prohibit the smoking of cannabis in rental properties. Residents in a rental unit or within the common areas of a condominium or apartment complex should check with their management company or landlord on their rules.
- It is still illegal to drive under the influence of cannabis.
- No driver or passenger may possess cannabis within any area of any motor vehicle except in a sealed, odor-proof, child-resistant cannabis container. Violation of this law is a Class A misdemeanor.

**Analysis:** Staff offers the following information for the Village Board to consider as it relates to the site and proposed development:

1. **Land Use.** The parcel of land on which the building and parking areas are presently located is 1.6 acres (69,260 square feet), based on Lake County GIS data. The parcel is part of a larger zoning lot that comprises Home Depot, Costco and a two-tenant retail building containing Verizon Wireless and Pearle Vision immediately across its parking lot. The subject property is zoned within the B-3 Regional Shopping Business District. The land use for a recreational

cannabis dispensary is allowed as a Special Use Permit and will need to be considered by the Planning and Zoning Commission at a public hearing with final approval by the Village Board.

Specifically, the activities allowed by the code include Cannabis Dispensing and Cannabis Infusing. (Cannabis growing, cultivation and processing are only allowed in the I Industrial District).

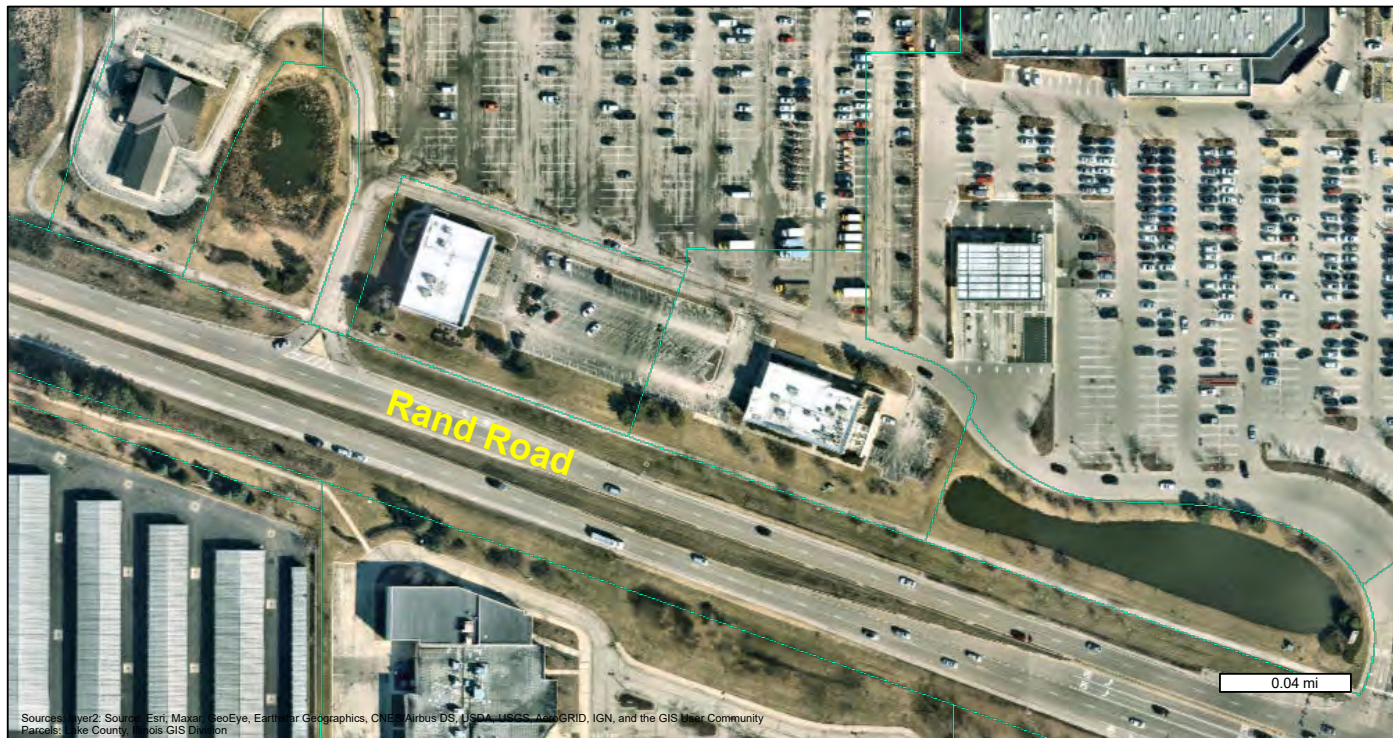
2. **Bulk Regulations.** All activities related to the proposed land use are proposed to be conducted within the existing building envelope with modifications to the interior to suit the use. There will be no need for zoning relief on bulk regulations such as lot area, setbacks, building height, etc.
3. **Parking.** Within the envelope of its 1.6 acre parcel, the subject property has 43 parking spaces in front of and to the rear of the building and 27 across the frontage drive adjacent to the Home Depot and Costco parking lots. Additionally, both parking areas are part of larger shared lots that offer additional parking should the need arise. The minimum required number of parking spaces by code is 4 spaces per 1,000 square feet of gross floor area. The gross floor area of the building on the subject property is approximately 6,800 square feet and requires a minimum of 28 parking spaces.
4. **Security.** Justice Cannabis Company has a full-time National Security Director on staff to oversee security detail at its multiple locations. They plan to have 30 – 50 high definition cameras located throughout the property, both inside the building and out. The cameras will have facial recognition ability and the ability to read license plates. They will provide the Lake Zurich Police Department a direct feed into all of the cameras. They will also have two armed security guards on-site during all business hours.

**Recommendation:** The land owner and proposed user of the property seek to understand the Village Board's preferences towards the proposed use of the property. The Village Board is requested to provide feedback to Justice Cannabis Company in preparation for a Public Hearing at the Planning and Zoning Commission to be potentially conducted on October 20, 2021.

Attachments:

1. Aerial Map of the Subject Property

## Lake County, Illinois



Map Printed on 8/9/2021



☐ Tax Parcel Lines  
 Tax Parcel  
 Information

**Disclaimer:**

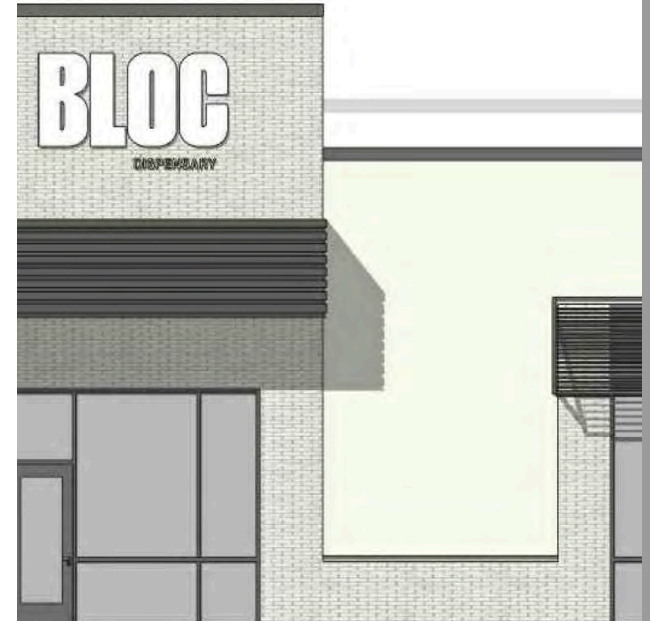
The selected feature may not occur anywhere in the current map extent. A Registered Land Surveyor should be consulted to determine the precise location of property boundaries on the ground. This map does not constitute a regulatory determination and is not a base for engineering design. This map is intended to be viewed and printed in color.





# Justice Cannabis Company f/k/a Justice Grown

- Founded in Chicago in 2014 by two civil rights attorneys
- Our dispensaries are doing business as Bloc Dispensary
- We are very committed to Illinois
  - We have an existing cultivation site near Effingham, IL producing product since 2017
  - Through our network there will be over a dozen Bloc dispensaries in Illinois
- This license was won by Botavi Wellness LLC
  - Owned by a family member of one of the founders of Justice



# Justice Cannabis Co. & Dispensary



# Justice Cannabis Co. and Dispensary Operations

- Justice Cannabis Co. is comprised of a winning dispensary team
  - Team members that are experts in their fields from:
    - Real Estate
    - Retail Operations
    - Security
    - Compliance
  - Team members come to Justice Cannabis Co. with a history of successful results building and managing financially sustainable facilities.

## Our Plans for Lake Zurich, IL

- Lake Zurich will be one of our flagship dispensaries in Illinois
- We will be leasing the former TGIF property at 676 South Rand Road
- Will provide medical and recreational cannabis to the community
- Looking to partner with the community
  - Hiring local for all employees whenever possible
  - Enhance the security of this area with additional personnel
- Will have a supply agreement with our own cultivation center

## Job Creation in Lake Zurich

- Justice Cannabis Co. will have between six and twelve employees on site at all times, depending on the day and times.
- With shifts, up to twenty full- and part-time positions to filled locally.

## Traffic and Parking

- The parking at this facility is more than adequate for our needs based on experience with our other dispensaries.
- We have found our customers mostly pre-order their products, limiting the time they spend in the store.
- Our clientele typically come throughout the day and do not follow “rush hour” patterns.

## Loitering/On-site consumption

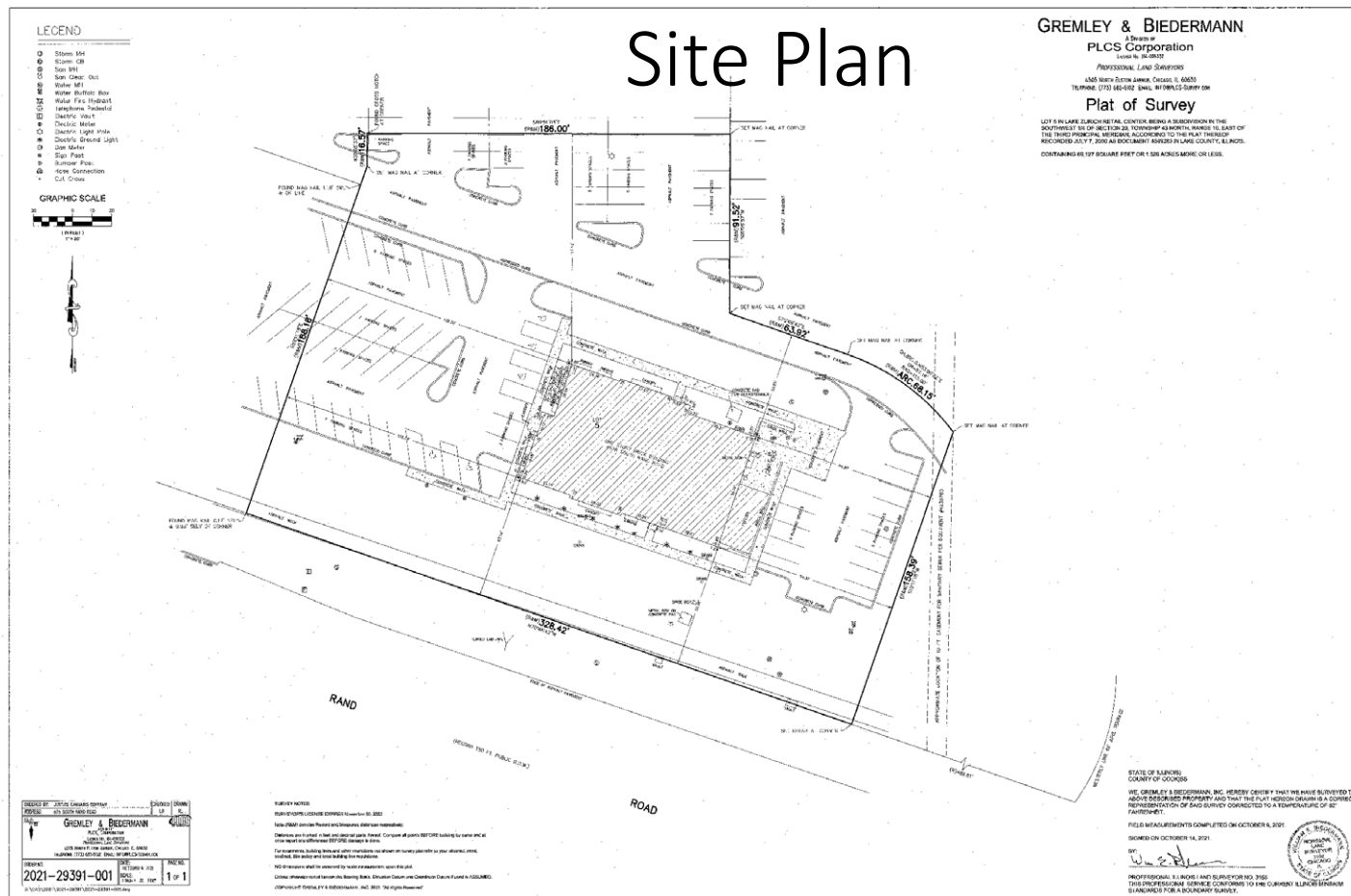
- This is strictly prohibited by law. Our customers know this and our experience indicates this is not a problem.
- Our security guards will enforce this.

## Security

- We have a National Security Director that will oversee this.
- We will have 30 to 50 high-definition cameras located throughout the building inside and out
- The cameras will have facial recognition ability and the ability to read license plates
- We offer the local police a direct feed into all of these cameras.
- We will have two (2) armed security guards on site during all business hours.
- Our experience shows that communities have added security with our presence based on our protocols and added guards.

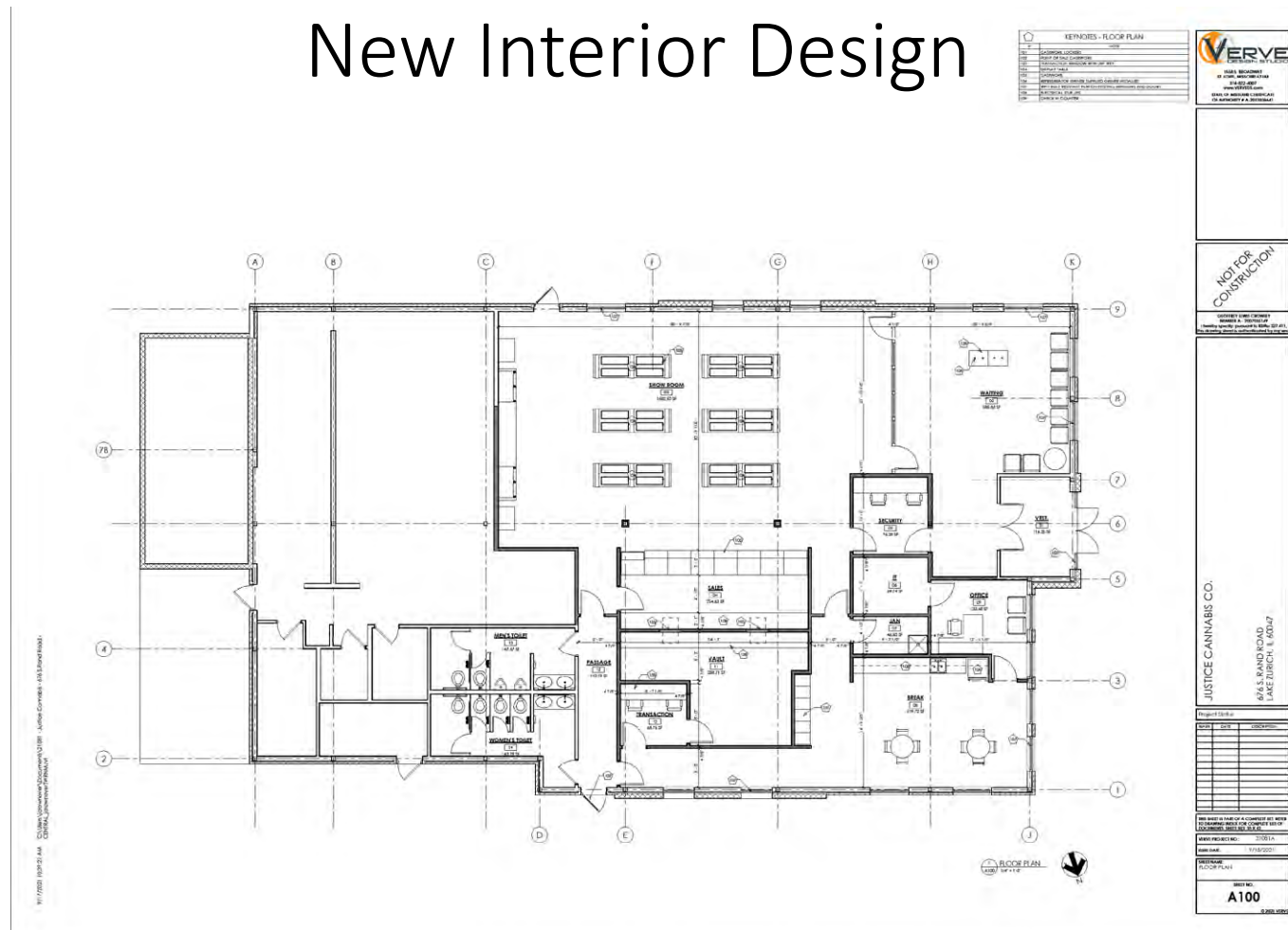
## Former TGIF Property







# New Interior Design



# Renderings of New Store



## Management



**Jon Loevy**  
Co-Founder

Jon Loevy and Mike Kanovitz are the founders and co-chairmen of a public interest oriented law firm in Chicago devoted primarily to civil rights and the protection of government and taxpayers from contractor fraud and waste.

Over the past twenty years, Mr. Loevy and Mr. Kanovitz have built their firm from scratch, and have since turned it into one of the largest law firms of its kind in the entire country. Under their leadership and management, the law firm has grown to more than fifty employees, and generates millions per year in revenue.



**Mike Kanovitz**  
Co-Founder

The firm's civil rights cases have appeared many times in national news, and they have won several hundred million dollars in jury verdicts and settlements for their clients, earning a reputation for integrity, justice, and legal excellence along the way.

Both Loevy and Kanovitz graduated with distinction from Ivy League law schools, and then worked at large corporate law firms before founding their law firm several years out of law school.

## Management



**Darin Carpenter**  
Chief Executive Officer

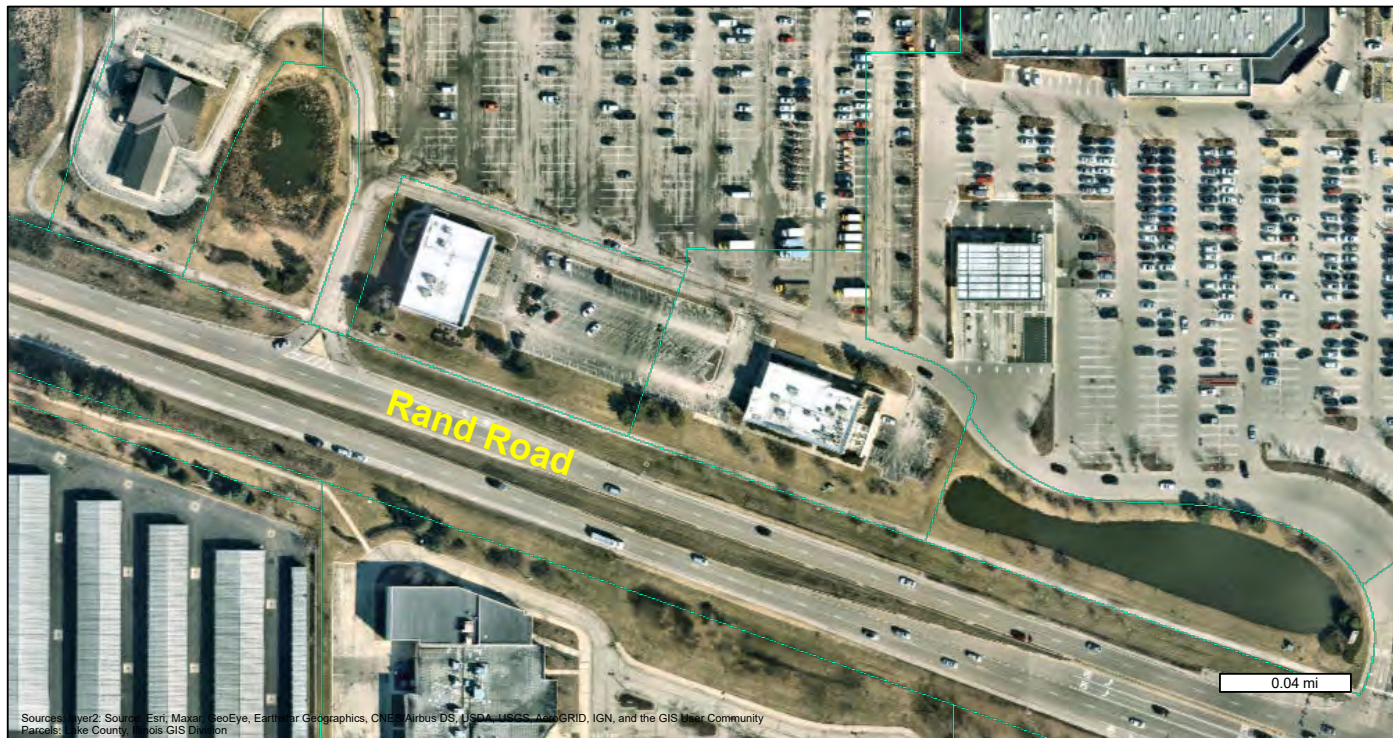
Darin has been responsible for the daily operations and management of several well-known profitable cannabis companies.

Darin was previously Chief Operating office of Flora where he oversaw and constructed over 300,000 sq. ft of high-tech efficient greenhouses as well as a state-of-the-art, high-throughput extraction lab in Monterey County, CA

Previous to Flora Darin was the Director of Operations for Tryke, where he managed all cultivation/extraction operations, driving \$70 million in annual revenue. Darin was responsible for 90,000 sq. ft of highly-efficient cannabis cultivation. He also led the design of 250,000 sq. ft of indoor cannabis cultivation,

Darin has an extensive military background, highlighted by his time as a decorated Special Operations Combat Medic in the elite 75th Ranger Regiment.

## Lake County, Illinois



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