# MOLINE CITY COUNCIL AGENDA
## Tuesday, August 28, 2012
## 6:30 p.m.
(immediately following the Committee-of-the-Whole meeting)
## City Hall
## Council Chambers – 2nd Floor
## 619 16th Street
## Moline, IL

**CALL TO ORDER**

**PLEDGE OF ALLEGIANCE**

**ROLL CALL**

| COUNCIL MEMBER | PRESENT | ABSENT |
|---|---|---|
| Knaack | | |
| Meredith | | |
| Raes | | |
| Ronk | | |
| Turner | | |
| Schoonmaker | | |
| Liddell | | |
| Acri | | |
| Mayor Welvaert | | |

**CONSENT AGENDA**

All items under the consent agenda are considered to be routine in nature and will be enacted by one motion. There will be no separate discussions of these items unless a council member so requests, in which event the item will be removed from the consent agenda and considered as the first item after approval of the consent agenda.

**APPROVAL OF MINUTES**

Committee-of-the-Whole and Council meeting minutes of August 14, 2012.

**SECOND READING ORDINANCES**

1. **Council Bill/Special Ordinance 4032-2012**

A Special Ordinance closing certain streets more particularly described herein to vehicular traffic and authorizing the use of public right-of-way in conjunction with the Paulaner Biergaarten Tour scheduled for Thursday, August 30, 2012 through Sunday, September 2, 2012.

**EXPLANATION:** Bier Stube is holding an outdoor event.

**FISCAL IMPACT:** N/A
**PUBLIC NOTICE/RECORDING:** N/A

2. **Council Bill/Special Ordinance 4033-2012**

A Special Ordinance closing certain streets more particularly described herein to vehicular traffic and authorizing the use of public right-of-way in conjunction with the Taming of the Slough scheduled for Saturday, September 15, 2012.

**EXPLANATION:** This is a yearly event sponsored by River Action.

**FISCAL IMPACT:** N/A
**PUBLIC NOTICE/RECORDING:** N/A

3. **Council Bill/Special Ordinance 4034-2012**

A Special Ordinance authorizing the Mayor and City Clerk to declare the property at 2426 5th Avenue as surplus and to execute an Agreement for Sale of Real Estate and do all things necessary to convey the City-owned property at 2426 5th Avenue, Moline, to Darrell K. McColl.

**EXPLANATION:** The City acquired the property at 2426 5th Avenue via Quit Claim Deed and anticipated using abatement funds to demolish the home. However, contractors expressed interest in rehabilitating and purchasing this home. As such, the City published a request for proposals for the purchase and rehabilitation of 2426 5th Avenue on June 19, 2012, and Darrell K. McColl was the only person who submitted a proposal. Darrell K. McColl has offered to purchase 2426 5th Avenue for $100.00 and promises to complete interior and exterior repair and restoration of the building on said property within five (5) months of the date of possession of said property, with possible extension of the completion date as may be agreed to in writing by the parties. Staff recommends accepting this proposal so this project can begin as soon as possible and result in the repair and restoration of a blighted property. This property was in arrears for taxes in the amount of $38,070.34. Those taxes have been deemed null and void by the County Treasurer, and the only taxes that remain are the property taxes for 2011 currently due and owing in the amount of $1,708.24. Staff recommends that the City pay half of the taxes, and Darrell K. McColl shall pay the other half. The total payments by the City will be $854.12.

**FISCAL IMPACT:** N/A
**PUBLIC NOTICE/RECORDING**: Law Department to Record Quit Claim Deed

**4. <u>Council Bill/Special Ordinance 4035-2012</u>**
A Special Ordinance authorizing the Mayor and City Clerk to execute a Quit Claim Deed between the City of Moline and Autumn Trails L.L.C.

**EXPLANATION:** As part of the closing between Autumn Trails L.L.C. and the new purchaser of the memory care facility, some question was raised as to whether the drives in the development were public or private. All parties agree that the drives, labeled as Outlots A and D on the final plat, were intended to be and are private. As an assurance that the new owners have legal access to the memory care facility, the parties to the sale request that the City dedicate any ownership interest in the drives via a quit claim deed to Autumn Trails L.L.C. The dedication will clarify the issue that the drives are private and that the City will retain all existing interest in the easements and utilities.

**FISCAL IMPACT**: N/A
**PUBLIC NOTICE/RECORDING**: The Quit Claim Deed will be recorded by the purchaser.

**<u>RESOLUTIONS</u>**

**5. <u>Council Bill/Resolution 1221-2012</u>**
A Resolution authorizing the Mayor and City Clerk to execute an agreement between the City of Moline and the Board of Education of Moline School District 40 setting forth the terms for assignment of four police liaison officers to Moline schools for the 2012/2013 school year.

**EXPLANATION:** Cost sharing agreement for assignment of police liaison officers at Moline High School, Alternative High School, Wilson Middle School and John Deere Middle School. The school district will reimburse 45 percent of the total salary and benefit costs for the officers, and 100 percent of the cost of overtime worked at the request of the school.

**FISCAL IMPACT:** Reimbursement of $194,569.00
**PUBLIC NOTICE/RECORDING:** N/A

**6. <u>Council Bill/Resolution 1222-2012</u>**
A Resolution accepting the actuarial valuation reports submitted by Tepfer Consulting Group, LTD, as of January 1, 2012 for the year fiscal year ending December 31, 2012 for the City of Moline Police and Firefighters' Pension Funds.

**EXPLANATION:** The sworn Police and Fire personnel of the City of Moline are covered by two pension plans that are defined-benefit, single-employer pension plans. The purpose of the annual actuarial valuation reports is to provide property tax levy requirements for the City's employer contributions. The City's 2012 tax levy requirement for police and fire pension employer contributions will increase by $159,250.

**FISCAL IMPACT:** The cost of each actuarial valuation study is $5,000 and split between the City and the pension fund.
**PUBLIC NOTICE/RECORDINGS**: NA

**7. Council Bill/Resolution 1223-2012**

A Resolution authorizing the Mayor and City Clerk to apply for a highway permit and execute the necessary forms for the proposed Moline Dad's Club Halloween Parade, scheduled for Sunday, October 21, 2012.

**EXPLANATION:** This is an annual event sponsored by Moline Dad's Club.
**FISCAL IMPACT:** N/A
**PUBLIC NOTICE/RECORDING:** N/A

**8. Council Bill/Resolution 1224-2012**

A Resolution authorizing the Mayor and City Clerk to apply for a highway permit and execute the necessary forms for the proposed Lagomarcino's Cocoa Beano 5K Run, scheduled for Saturday, October 27, 2012.

**EXPLANATION:** This is an annual event sponsored by Lagomarcino's.
**FISCAL IMPACT:** N/A
**PUBLIC NOTICE/RECORDING:** N/A

**9. Council Bill/Resolution 1225-2012**

A Resolution authorizing certain minutes and portions of minutes of Executive Sessions of the City Council to be continued as confidential until further reviewed by the City Council; and, authorizing the remainder of said Executive Session minutes referenced herein to be made available for public inspection.

**EXPLANATION:** The Open Meetings Act requires a semi-annual review of the closed session minutes for determination of continued confidentiality, or the appropriateness of release to the public. This council bill fulfills that responsibility.
**FISCAL IMPACT:** N/A
**PUBLIC NOTICE/RECORDING:** N/A

| OMNIBUS VOTE | | |
|---|---|---|
| Council Member | Aye | Nay |
| Schoonmaker | | |
| Liddell | | |
| Acri | | |
| Knaack | | |
| Meredith | | |
| Raes | | |
| Ronk | | |
| Turner | | |
| Mayor Welvaert | | |

**OMNIBUS VOTE**

**ITEMS NOT ON CONSENT**

**RESOLUTIONS**

**10. Council Bill/Resolution 1226-2012**

A Resolution authorizing the Mayor and City Clerk to execute a Licensing Agreement with Iowa Health System to install fiber optic cable in right-of-way.

**EXPLANATION:** Iowa Health System is requesting to enter into a licensing agreement to install fiber optic facilities in right-of-way. The underground boring of fiber optic cable would run from the existing fiber optic cable located near the intersection of $19^{th}$ Avenue and $7^{th}$ Street, run north along the west side of $7^{th}$ Street right-of-way, then run west on the south side of $19^{th}$ Avenue right-of-way to 106 $19^{th}$ Avenue.

**FISCAL IMPACT:** $560 application fee and $30 annual fee
**PUBLIC NOTICE/RECORDING:** N/A

| CB 1226-2012 | | |
|---|---|---|
| Council Member | Aye | Nay |
| Schoonmaker | | |
| Liddell | | |
| Acri | | |
| Knaack | | |
| Meredith | | |
| Raes | | |
| Ronk | | |
| Turner | | |
| Mayor Welvaert | | |

**FIRST READING ORDINANCES**

**11. Council Bill/Special Ordinance 4036-2012**

A Special Ordinance granting a variance to Section 28-3200(a) of the Moline Code of Ordinances to delay installation of a sidewalk for property located at 3100 48 Avenue.

**EXPLANATION:** The applicant has been running a mulching operation at 3100 $48^{th}$ Avenue and is now planning to construct a building on the property. The applicant has applied for a variance to waive the sidewalk requirement. The site fronts on two unimproved sealcoat roads, $48^{th}$ Avenue and $31^{st}$ Street. The Subdivision Code requires that sidewalks be installed along both frontages if a variance is not obtained. As you can see from the attached map, there are no existing sidewalks anywhere near this property. The applicant states that there are topographic issues on the site, such as a ditch and trees which would make installation of a sidewalk difficult and costly. With a location on a substandard street, no connections, and no likelihood for future service, staff feels this application meets the policy criteria and a sidewalk variance is justified. ***CONSIDERATION REQUESTED***

**FISCAL IMPACT:** N/A
**PUBLIC NOTICE/RECORDING:** N/A

**MISCELLANEOUS BUSINESS**

**PUBLIC COMMENT**
Members of the public are permitted to speak after first stating their name and address.

**EXECUTIVE SESSION**

| Consideration | | |
|---|---|---|
| Council Member | Aye | Nay |
| Schoonmaker | | |
| Liddell | | |
| Acri | | |
| Knaack | | |
| Meredith | | |
| Raes | | |
| Ronk | | |
| Turner | | |
| Mayor Welvaert | | |

| CB 4036-2012 | | |
|---|---|---|
| Council Member | Aye | Nay |
| Schoonmaker | | |
| Liddell | | |
| Acri | | |
| Knaack | | |
| Meredith | | |
| Raes | | |
| Ronk | | |
| Turner | | |
| Mayor Welvaert | | |

Council Bill/Resolution No.: 4032-2012
Sponsor: ______________________

A SPECIAL ORDINANCE

CLOSING certain streets more particularly described herein to vehicular traffic; and

AUTHORIZING the use of public right-of-way in conjunction with the Paulaner Biergaarten Tour scheduled for Thursday, August 30, 2012 through Sunday, September 2, 2012.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MOLINE, ILLINOIS, as follows:

**Section 1** – That this Council hereby authorizes and directs the Mayor, Director of Public Works and Police Chief to erect barricades and post temporary signs, if necessary, for the purpose of closing the following designated roadways to vehicular traffic during the specified times mentioned herein:

Wednesday, August 29, 2012, 12:00 p.m. to Sunday, September 2, 2012, 11:00 p.m.

Alley in the 400 block between 14th and 15th Streets,
the closure to be from the westernmost side of 15th Street to
the west end of Bier Stube Biergarten.

It shall be an offense to use said roadways for vehicular purposes during times herein specified.

**Section 2** – That this Council declares the intent of this ordinance to be a temporary variance from other ordinances that may be in conflict herewith and shall authorize the activities described hereinabove only during such times specified for the street closings and shall not constitute a repeal of other ordinances of the City of Moline which are in conflict herewith.

**Section 3** – That this ordinance shall be in full force and effect from and after passage, approval, and if required by law, publication in the manner provided for by law.

CITY OF MOLINE, ILLINOIS

______________________________
Mayor

______________________________
Date

Passed: ______________________

Approved: ______________________

Attest: ______________________
City Clerk

Approved as to form:

______________________________
City Attorney

Council Bill/Ordinance No.: 4033-2012
Sponsor: ______________________

A SPECIAL ORDINANCE

CLOSING certain streets more particularly described herein to vehicular traffic; and

AUTHORIZING the use of public right-of-way in conjunction with the Taming of the Slough scheduled for Saturday, September 15, 2012.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MOLINE, ILLINOIS, as follows:

**Section 1 –** That this Council hereby authorizes and directs the Mayor, Director of Public Works and Police Chief to erect barricades and post temporary signs, if necessary, for the purpose of closing the following designated roadways to vehicular traffic during the specified times mentioned herein:

Saturday, September 15, 2012, from 7:00 a.m. to 11:00 a.m. Partial lane closures will be required along the route and will be marked with cones.

**Bike Portion**

River Drive, from the northernmost westbound lane from the westernmost side of 17th Street to the easternmost side of 1st Street.

**Run Portion**

Westernmost southbound lane of 17th Street from the cul de sac top to the northernmost side of River Drive; and
Northernmost westbound lane of River Drive from the westernmost side of 17th Street to the westernmost side of 12th Street; and
Westernmost southbound lane of 12th Street from the northernmost side of River Drive to the northernmost side of 6th Avenue.

It shall be an offense to use said roadways for vehicular purposes during the times herein specified.

**Section 2** – That this Council declares the intent of this ordinance to be a temporary variance from other ordinances that may be in conflict herewith and shall authorize the activities described hereinabove only during such times specified for the street closings and shall not constitute a repeal of other ordinances of the City of Moline which are in conflict herewith.

**Section 3** – That this ordinance shall be in full force and effect from and after passage, approval, and if required by law, publication in the manner provided for by law.

CITY OF MOLINE, ILLINOIS

______________________
Mayor

______________________
Date

Passed: ______________________
Approved: ______________________

Attest: ______________________
City Clerk

Approved as to form:

______________________
City Attorney

Council Bill/Special Ordinance No.: 4034-2012
Sponsor: ______________________________

A SPECIAL ORDINANCE

AUTHORIZING the Mayor and City Clerk to declare the property at 2426 $5^{th}$ Avenue as surplus and to execute an Agreement for Sale of Real Estate and do all things necessary to convey the City-owned property at 2426 $5^{th}$ Avenue, Moline, to Darrell K. McColl.

___________________

WHEREAS, the City acquired the property at 2426 $5^{th}$ Avenue via Quit Claim Deed and anticipated using abatement funds to demolish the home. However, contractors expressed interest in rehabilitating and purchasing this home; and

WHEREAS, the City published a request for proposals for the purchase and rehabilitation of 2426 $5^{th}$ Avenue on June 19, 2012, and Darrell K. McColl was the only person who submitted a proposal; and

WHEREAS, Darrell K. McColl has offered to purchase 2426 $5^{th}$ Avenue for $100.00 and promises to complete interior and exterior repair and restoration of the building on said property within five (5) months of the date of possession of said property, with possible extension of the completion date as may be agreed to in writing by the parties; and

WHEREAS, Staff recommends accepting this proposal so this project can begin as soon as possible and result in the repair and restoration of a blighted property; and

WHEREAS, this property was in arrears for taxes in the amount of $38,070.34. Those taxes have been deemed null and void by the County Treasurer, and the only taxes that remain are the property taxes for 2011 currently due and owing in the amount of $1,708.24; and

WHEREAS, Staff recommends that the City pay half of the property taxes, and Darrell K. McColl shall pay the other half. The total payments by the City will be $854.12.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MOLINE, ILLINOIS, as follows:

**Section 1** – That the property at 2426 $5^{th}$ Avenue is hereby declared as surplus property, and the Mayor and City Clerk are hereby authorized to execute an Agreement for Sale of Real Estate concerning 2426 $5^{th}$ Avenue, Moline, Illinois, with Darrell K. McColl, and do all things necessary to convey said property to Darrell K. McColl, in return for payment of $100.00, plus a right of reverter requiring Darrell K. McColl, to complete interior and exterior renovations of said property within five (5) months of the date of possession of said property, with possible extension of the completion date as may be agreed to in writing by the parties, or the property would revert to the City; provided, however, that said agreement is substantially similar in form and content to that attached hereto and incorporated herein by this reference thereto as Exhibit "A" and has been approved as to form by the City Attorney.

**Section 2** – That the Finance Director is authorized to pay, if necessary, half of the 2011 property taxes to the County Treasurer in an amount not to exceed $854.12.

**Section 3** – That this ordinance shall be a temporary variance from any other ordinance with which it may conflict and shall not constitute a repeal of any such ordinance.

**Section 4** – That this ordinance shall be in full force and effect from and after passage, approval, and if required by law, publication in the manner provided for by law.

CITY OF MOLINE, ILLINOIS

____________________________________
Mayor

____________________________________
Date

Passed: ____________________________________

Approved: __________________________________

Attest: ____________________________________
City Clerk

Approved as to Form:

____________________________________
City Attorney

**AGREEMENT FOR SALE OF REAL ESTATE**

CITY OF MOLINE
A MUNICIPAL CORPORATION
**SELLER**

| | |
|---|---|
| Address: | 619 16th Street<br>Moline, IL 61265 |
| Telephone: | (309) 524-2012 |

DARRELL K. MCCOLL

**PURCHASER**

| | |
|---|---|
| Address: | 2505 46th Street<br>Moline, IL 61265 |
| Telephone: | (309) 781-8084 |

**THIS AGREEMENT IS DATED** ________________________.

The Purchaser agrees to purchase from the Seller and the Seller agrees to sell to Purchaser the real estate located at 2426 5th Avenue, Moline, Illinois (Parcel Number 08-2902), consisting of 5,730 square feet, more or less, legally described as:

> The West 38.4 feet of Lot Number Three (3) in Block Number One (1) in that part of the City of Moline known as and called H.R. Edwards' Addition to the City of Moline; situated in the County of Rock Island and State of Illinois.

Hereinafter referred to as the "Property," for the total sum of ONE HUNDRED and No/100 DOLLARS ($100.00) plus a right of reverter requiring Purchaser to complete interior and exterior renovations of 2426 5th Avenue within five (5) months from the date of possession of the Property, or the Property will automatically revert to the City; and adjusted for the special restrictions and covenants as set forth in the sections related to special restrictions and covenants herein, and payable in cash or other immediately available funds, at Closing, as defined herein. Purchaser understands that Seller's City Council must approve this Agreement before it becomes effective. Therefore, the Purchaser agrees that Purchaser's offer to buy hereunder shall be irrevocable until September 4, 2012, to allow Seller's City Council to consider and approve this Agreement at its August 28, 2012 City Council meeting all as described herein below.

**SPECIAL RESTRICTIONS AND COVENANTS**

Each and every item listed in this Section shall be construed as a material condition of this Agreement for Sale of Real Estate and shall be controlling over any portion in conflict therewith and any provision of any deed created pursuant hereto. If Purchaser or its successors in interest, if any, are at any time in breach or other violation of any provision of this Section and so remain for a period of fourteen (14) days after notice from Seller of the breach or other violation, then the Seller may reclaim and repossess the real estate interests transferred pursuant hereto; the Seller shall retain any and all amount paid to it for purposes of the transfer and/or sale contemplated herein as consideration for this Agreement and as payment for Seller's costs in preparing and conducting the sale herein contemplated. The special restrictions and covenants shall be as follows:



EXHIBIT
tabbies
A

1. The purchase price for the Property is One Hundred and No/100 Dollars ($100.00). Purchaser shall pay Fifty and No/100 Dollars ($50.00) upon execution of this Agreement. The remaining Fifty and No/100 Dollars ($50.00) shall be paid by Purchaser at Closing. All 2011 taxes due and payable in 2012 shall be borne and paid one half by Purchaser and one half by Seller. Future taxes not otherwise provided for herein shall be paid by Purchaser.

2. Purchaser acknowledges and agrees to the following construction schedule:

   Clean out house; replace two window units; new roofing, windows and siding; new kitchen cabinets; new floors throughout; new fixtures throughout; gable over flat roof in rear; clean yard; landscape around house; repair fence; rewire and plumbing; and update mechanical where necessary.

   **The deadline to complete all renovations is February 4, 2013.** Seller may in its sole discretion agree to extend the date of completion. Any extension shall be by a written amendment signed by both parties. In no event shall the completion date be extended beyond May 15, 2013.

   Purchaser further acknowledges and agrees that Purchaser's failure to abide by any of the above conditions will result in reverter of the Property to the Seller without further action by or notice from the Seller, and Purchaser will voluntarily relinquish all interests in the Property to the Seller. In the case of reverter, any improvements done to the Property by the Purchaser shall become the property of the Seller and Purchaser has no right to said improvements or reimbursement therefor.

**CONVEYANCE OF TITLE AND DOCUMENTS OF SALE**

At Closing, Seller shall deliver a Quit Claim Deed to Purchaser or his/her licensed attorney practicing in Rock Island County, in the name of the Purchaser conveying Seller's interests and title together with such other documents that may be required to record the deed and transfer personal property. If the above conditions are met on February 4, 2013, at this time the deed shall be delivered to Purchaser provided that all conditions of this Agreement have been met by the parties.

**POSSESSION AND CLOSING**

(a) The Closing of this transaction shall be held on or about February 4, 2013 ("Closing"), with possession of the Property to be delivered to Purchaser on or before September 4, 2012, free and clear of all possessory interests, including, without limitation, squatters;

(b) Possession shall be deemed delivered when Seller has vacated the Property.

**ASSIGNMENTS AND TRANSFERS PROHIBITED**

The parties covenant not to suffer or permit without the written permission or consent of the other being first had and obtained, a sale, assignment, or transfer of any right, title or interest of any sort in and to said Property, or any portion thereof, or any of the improvements, apparatus, fixtures or equipment that may be found in or on said Property prior to Closing.

**BUILDINGS, FIXTURES AND PERSONAL PROPERTY**

All buildings or fixtures presently installed on the Property shall be left by Seller in or upon said Property as they are as of the date of this Agreement and shall be deemed a part of the real estate and title thereto and shall pass to Purchaser at delivery of the Quit Claim Deed.

**CONDITION OF THE PROPERTY**

Sale of the property shall be "as is without representation or warranty as to fitness or condition."

**CASUALTY CLAUSE**

This Agreement shall be subject to the Illinois Uniform Vendor and Purchaser Act as currently in effect. Seller shall keep adequate insurance, including fire and other extended coverage, on improvements on the above Property until the deed is delivered to the Purchaser. Purchaser shall be responsible for insurance coverage, including liability coverage upon taking title to or possession of the above Property, whichever occurs first. Any monies paid as a result of damage to the Property shall be paid to the Seller to reduce the monies due hereunder; provided, however, that should monies paid as a result of said damage exceed any monies due hereunder, then such excess amount shall be retained by Purchaser.

**EXPENSES OF TRANSFER**

PURCHASER shall pay:

(a) Recording fee for deed;
(b) Costs of any additional appraisal for the Property obtained by Purchaser;
(c) Revenue stamps and recording of any releases, if any;
(d) Broker commission, if any;

EACH PARTY shall be responsible for its own attorney fees and customary Closing costs.

**ENTIRE AGREEMENT**

This Agreement, executed by the parties, constitutes the entire agreement between the parties and there are no oral representations, warranties, or covenants other than those set forth herein and this Agreement shall extend to and be binding upon the executors, administrators, and assigns of the parties hereto.

**LEGAL ASSISTANCE**

The Seller and Purchaser are aware that when fully signed, this is a legally binding agreement for the sale and purchase of real estate and that in order to protect their interests in connection with contractual, title and other aspects of this transaction, they have had the right and opportunity to consult legal counsel before this Agreement is signed.

**ACCEPTANCE BY SELLER**

Until accepted by Seller, this document constitutes an irrevocable offer to buy by Purchaser on the terms stated above. This Agreement must be accepted by Seller on or before September 4, 2012, and Purchaser's offer to buy herein shall be irrevocable to and including September 4, 2012, to allow Seller's City Council opportunity to review and approve this Agreement. Within twenty-four (24) hours of acceptance by Seller's City Council, Fifty and No/100 Dollars ($50.00) earnest money shall be provided to Seller in the form of cash or check. Purchaser acknowledges and agrees that this Agreement is subject to Seller's right and legal responsibility to formally submit this Agreement to the Seller's City Council for review, approval and authorization to execute. If not so approved by the Council by August 28, 2012, this offer and Agreement shall be void. The parties understand that Seller's City Council may not approve this Agreement and that until approved by the City Council, it is not and shall not be binding upon Seller, its officers, employees or agents.

This Agreement has been read and executed in duplicate on the dates beside the parties' authorized agents' signatures.

| | |
|---|---|
| Executed by SELLER: | Executed by PURCHASER: |
| CITY OF MOLINE, ILLINOIS | DARRELL K. MCCOLL |
| By:____________________________<br>Donald P. Welvaert, Mayor | By:____________________________ |
| Date:__________________________ | Date:__________________________ |

ATTEST:

By:__________________________________
Tracy A. Koranda, City Clerk

Date:________________________________

*FOR INFORMATION ONLY:*
Seller's Attorney:
Amy L. Keys
(309) 524-2012

Council Bill/Special Ordinance No. 4035-2012
Sponsor: ______________________

A SPECIAL ORDINANCE

AUTHORIZING the Mayor and City Clerk to execute a Quit Claim Deed between the City of Moline and Autumn Trails L.L.C.

WHEREAS, as part of the closing between Autumn Trails L.L.C. and the new purchaser of the memory care facility, some question was raised as to whether the drives in the development were public or private; and

WHEREAS, following review, all parties agree that the drives, labeled as Outlots A and D on the final plat, were intended to be and are private; and

WHEREAS, as an assurance that the new owners have legal access to the memory care facility, the parties to the sale request that the City dedicate any ownership interest in the drives via a quit claim deed to Autumn Trails L.L.C.; and

WHEREAS, the dedication will serve to clarify that the drives are private and that the City will retain all existing interest in the easements and utilities.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MOLINE, ILLINOIS, as follows:

**Section 1** – That the Mayor and City Clerk are hereby authorized to execute a Quit Claim Deed between the City of Moline and Autumn Trails L.L.C.; provided, however, that said Quit Claim Deed is in substantially similar form and content to that attached hereto and incorporated herein by this reference thereto as Exhibit "A" and has been approved as to form by the City Attorney.

**Section 2** – That this ordinance shall be in full force and effect from and after its passage, approval, and, if required by law, publication in the manner provided for by law.

CITY OF MOLINE, ILLINOIS

______________________________
Mayor

______________________________
Date

Passed: ______________________________

Approved: ____________________________

Attest: ______________________________
City Clerk

Approved as to Form:

______________________________
City Attorney

This document was prepared by
and after recording return to:
Richard J. Traub, Esq.
Freeborn & Peters LLP
311 South Wacker Drive
Suite 3000
Chicago, Illinois 60606

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**QUIT CLAIM DEED**

THIS INDENTURE (this "Deed"), made this ____ day of _______, 2012, WITNESSETH: that the GRANTOR, **CITY OF MOLINE, an Illinois municipal corporation**, having an address of 619 16th Street, Moline, Illinois 61265 for and in consideration of Ten Dollars ($10.00) in hand paid, and other good and valuable consideration, conveys and quitclaims to GRANTEE, **AUTUMN TRAILS, L.L.C., an Illinois limited liability company**, having an address of 28W771 Morris Court, Warrenville, IL 60555, Attn: George Bialecki, all interest in certain real estate (the "Premises") situated in the County of Rock Island in the State of Illinois, such Premises being more particularly described on **Exhibit A** attached hereto, and hereby releasing and waiving all rights under and by virtue of the Homestead Exemption Laws of the State of Illinois.

Permanent Index Numbers: 0831449010 and 0831449011

IN WITNESS WHEREOF, said Grantor has caused its name to be signed to these presents the day and year first above written.

**CITY OF MOLINE, an Illinois municipal corporation**

By: ______________________
Name: Donald Welvaert
Its: Mayor

Attest: ______________________
Tracy A. Koranda, City Clerk

STATE OF ILLINOIS )
)
COUNTY OF )

I, the undersigned, a notary public in and for said County, in the State aforesaid, do hereby certify that Donald Welvaert and Tracy A. Koranda, Mayor and City Clerk, respectively, for the City of Moline, Illinois, known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this ______ day of ____________________, 2012 in person, and acknowledged that they signed, sealed and delivered the said instrument as his free and voluntary act, for the uses and purposes therein set forth.

______________________________
Notary Public
My Commission expires: __________

| |
|---|
| This Deed is exempt under the provisions of Paragraph ( ), 35 ILCS 200/31-45 Real Estate Transfer Tax Law<br><br>_____________________, 2012 ____________________________________ Agent |

## Exhibit A

## LEGAL DESCRIPTION OF THE PREMISES

OUTLOT A AND OUTLOT D IN AUTUMN TRAILS ADDITION TO THE CITY OF MOLINE, ROCK ISLAND COUNTY, ILLINOIS.

**LESS AND EXCEPT** ALL PUBLIC SANITARY SEWER, STORM SEWER, AND WATER MAINS LOCATED BELOW THE PREMISES AND LESS AND EXCEPT ALL EASEMENT RIGHTS.

Council Bill/Resolution No. 1221-2012
Sponsor: ________________________

A RESOLUTION

AUTHORIZING the Mayor and City Clerk to execute an agreement between the City of Moline and the Board of Education of Moline School District 40 setting forth the terms for assignment of four police liaison officers to Moline schools for the 2012/2013 school year.

WHEREAS, pursuant to the agreement, the police department will assign police officers at Moline High School, Alternative High School, Wilson Middle School and John Deere Middle School on a full time basis during the 2012/2013 school year; and

WHEREAS, in part, the agreement provides for Moline School District No. 40 to reimburse the City of Moline for 45 percent of the total salary and benefit costs for the four assigned officers and 100 percent of the cost for overtime worked at the request of the schools.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MOLINE, ILLINOIS, as follows:

That the Mayor and City Clerk are hereby authorized to execute an agreement between the City of Moline and the Board of Education of Moline School District 40 setting forth the terms for assignment of the four school liaison officers to the school system for the 2012/2013 school year, provided said agreement is substantially similar in form and content to Exhibit A, attached hereto and incorporated herein by this reference thereto, and has been approved as to form by the City Attorney.

CITY OF MOLINE, ILLINOIS

______________________________
Mayor

August 28, 2012
Date

Passed: August 28, 2012

Approved: September 4, 2012

Attest: ______________________
City Clerk

Approved as to form:

______________________________
City Attorney

**SCHOOL POLICE LIAISON OFFICERS**

**AGREEMENT**

This Agreement made and entered into this _______ day of ________________, 2012, by and between the CITY OF MOLINE, ILLINOIS, a municipal corporation, hereinafter referred to as "City", and, the BOARD OF EDUCATION OF MOLINE SCHOOL DISTRICT NO. 40, a body politic and corporate, hereinafter referred to as "School Board".

**W I T N E S S E T H:**

WHEREAS, 105 ILCS 5/10-1 et seq., provides that school boards have control of school property and are responsible for pupil and staff safety; and

WHEREAS, 105 ILCS 5/10-1 et seq., provides that school boards may contract for work for the district and may hire educational support personnel; and

WHEREAS, Art. VII, § 10, Ill. Const. provides that school districts and cities may contract to share any power not prohibited by law; and

WHEREAS, the City, with a population greater than 25,000, has plenary police powers pursuant to Art. VII, § 6(a), Ill. Const.; and

WHEREAS, both the School Board and the City believe that having police officers, properly trained in juvenile justice programs, assigned to and stationed at Moline High School, the Alternative High School, Wilson Middle School and John Deere Middle School will increase pupil and staff safety, further juvenile prevention programs, and will deter juvenile crime; and

WHEREAS, the City is willing to assign such officers to the schools only if the School Board participates in a cost sharing of the salary and benefit costs of such officers; and

WHEREAS, the School Board is willing to participate in such cost sharing only upon certain guarantees about approval of personnel, work of personnel, and delineation of duties;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained hereinbelow, the parties hereto agree as follows:

Article I. Purpose.

The purpose of this Agreement is for the City to agree to assign and station a police officer at each of the following four schools: Moline High School, Alternative High School, Wilson Middle School, and John Deere Middle School, and for the City to set forth with particularity said police officers' duties and chain of command and for the School Board to delineate its financial responsibilities for such assignment and for the School Board to establish its obligations in respect to supervision, provision of office space and equipment, and right of veto over personnel selection.

Furthermore, the purpose of this Agreement is to establish certain operational guidelines, termination rights, and division of liability.

Article II. Term.

The term of this Agreement is from August 1, 2012, to July 31, 2013.

Article III. Termination Rights.

3.1 Either party may terminate this Agreement for cause upon fifteen (15) days written notice delivered to the other party. "For cause" is defined for purposes herein as written notice of deficiency which deficiency is not corrected to the mutual satisfaction of both parties within fifteen (15) days after receipt of such notice.

3.2 Either party may terminate this Agreement without cause upon ninety (90) days written notice delivered to the other party.

3.3 Termination of this Agreement under either 3.1 or 3.2 shall not relieve either party of any obligation incurred up to and including the date of termination; and, if the School Board terminates under 3.2, it shall be responsible for payment of its share of the cost of the assigned officers as outlined in 5.3.

Article IV. City's Duties.

4.1 The City shall assign four Moline Police Officers to and station said officers at the aforesaid schools for all pupil attendance days between August 1, 2012 and July 31, 2013, and for five (5) workdays prior to the fall, 2012 start of classes (as staff orientation), if requested by the School Board. The City shall not be required to assign an alternate officer in the event of sickness of an officer, other than an extended illness, or when on paid leave status; however, the City reserves the right to assign an alternate on such days or other days.

4.2 Said assigned officers, and any alternate, shall be selected, supervised, and instructed to perform in accordance with the Job Description attached hereto and incorporated herein as Exhibit "A".

4.3 It is understood that the assigned officers may not continuously remain on school property. Court appearances, training and police emergencies may require assigned officers to be off school property. While the City will attempt to keep those incidents to a minimum, both parties acknowledge that such matters are not completely within the control of the City. In addition, the School Board understands that training of officers will benefit not only the City and the police department, but also the School Board.

4.4 The City shall authorize overtime not associated with school activities and pay for any overtime so authorized.

4.5 The City shall provide each of the assigned officers with a City owned vehicle. The

City shall be responsible for all costs associated with such vehicle use.

4.6 The City shall provide the School Board with quarterly statements for the School Board's share of the cost of the four assigned police officers for the period of this agreement in accordance with the Statement of Cost attached hereto and incorporated herein as Exhibit "B."

4.7 The City agrees to indemnify, defend, and hold harmless School Board for all claims under the Workers Compensation, Occupational Disease, or similar statutes for injury or illness resulting to the assigned employee from such assignment. In addition, the City agrees to indemnify, defend, and hold harmless School Board for all claims, demands, damages, costs, expenses, suits, actions, or liability, whether at law or in equity, resulting to third parties if the events giving rise to same occurred off of school property even though said events involve said assigned officers. Such duty to indemnify, defend, and hold harmless School Board for events off school property does not extend, however, to events occurring outside the corporate limits of the City of Moline when the School Board seeks the assistance of the assigned officer outside said corporate limits - i.e. said assigned officer is requested to accompany school personnel to investigate a matter in Coal Valley or in unincorporated territory.

Article V. School Board Duties.

5.1 The School Board shall request four officers to be assigned at the aforesaid schools.

5.2 The School Board shall provide sufficient office space, furniture, office supplies, telephone, and secure filing cabinet for said assigned officers.

5.3 The School Board shall pay forty-five percent (45%) of the cost of the assigned officers including salary and benefits within thirty (30) days after receipt of a billing from the City. Billings will occur on a quarterly basis in accordance with the Statement of Cost attached hereto and incorporated herein as Exhibit "B."

5.4 Any time the School Board requests and authorizes overtime for an assigned officer, this shall be paid by the School Board at the assigned officer's overtime rate.

5.5. The School Board shall indemnify, defend, and hold harmless City for all claims, demands, damages, costs, expenses, suits, actions, or liability, whether at law or in equity, resulting to third parties if the events giving rise to same occurred on school property or if said events occurred off of school property and outside the corporate limits of the City and upon a request by School Board for assistance and if said events arise out of execution of this Agreement.

Article VI. Miscellaneous.

6.1 Both parties have certain duties to indemnify, defend, and hold harmless the other party under certain specified circumstances. Therefore, whenever a demand or suit is made or filed against the beneficiary of such duty, that party shall promptly notify in writing the burdened party of such demand or suit and such burdened party shall promptly notify the benefited party of the name of the individual assigned to handle and defend such demand or suit.

6.2 While the School Board reserves the right to make final approval of assigned officers and alternates and to demand the removal of any such officer approved, the City reserves the sole and exclusive right to discipline such personnel. The School Board shall report promptly, however, to the Chief of Police any infractions or deficiency in performance and may file charges with the Board of Fire and Police Commissioners against said personnel only after ten (10) days have expired from so reporting same to the Chief of Police.

6.3 Both parties agree that the assigned officers shall have no authority to act as a Juvenile Officer outside the corporate limits of the City unless specifically authorized by the City.

6.4 Both parties agree that, if an assigned officer is expected to perform a search or seizure of persons or property, said officer shall be bound by and shall follow established City policies and directives. Nothing herein shall prevent school personnel from acting under School Board policies and directives outside the presence of the assigned officer.

6.5 Should a dispute arise concerning the statement of costs, the School Board shall promptly pay the amounts not in dispute. The Chief of Police and Superintendent of Schools shall meet within ten (10) days to discuss the remaining amounts in dispute; and, if they are unable to resolve said dispute mutually within ten (10) days thereafter, the dispute shall be submitted to governing bodies of the parties.

6.6 Any change to this Agreement shall be in writing and approved by the governing bodies of both parties. The Chief of Police and the designated School Board representative may, however, approve non-substantive changes, i.e., matters not affecting the daily charge, the billing cycle, or the scope of authority, by reducing same to writing and executing same for the respective parties.

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized agents to sign and seal, if any, these presents the day and year first above written.

| MOLINE SCHOOL DISTRICT NO. 40 | CITY OF MOLINE, ILLINOIS |
|---|---|
| By Connie McElyea | By ______________ |
| President | Mayor |
| Attest: | Attest: |
| Lan McCain | ______________ |
| Secretary | City Clerk |
| Approved as to Form: | Approved as to Form: |
| ______________ | ______________ |
| School Board Attorney | City Attorney |

## JOB DESCRIPTION

## POLICE LIAISON OFFICER



**Job Title:** Police Liaison Officer

**Employment:** The Police Liaison Officer is an officer of the Moline Police Department and an employee of the City of Moline on special assignment to Moline School District No. 40.

**Employment Contract:** The City of Moline and Moline School District No. 40 will enter into an annual agreement to purchase liaison officer services.

**Qualifications/Selection:** The training, experience and other qualifications of the Police Liaison Officer shall be established by the Chief of Police. When selecting an officer for this position, the Chief of Police shall nominate a slate of qualified candidates, and the school principal shall make the final selection.

**Professional Standards:** The Police Liaison Officer must conduct himself/herself in a professional manner and must maintain a high level of respect and integrity within the school community. As a Juvenile Officer, the Police Liaison Officer must maintain a caring attitude towards students and must remain sensitive to the problems of students and staff in the school environment.

**Attire:** When functioning as the Police Liaison Officer, the officer shall normally be dressed in plain clothes, except on those occasions when, in the judgment of school authorities, the standard police uniform would be more appropriate.

**Reports to:** The Police Liaison Officer is primarily a police officer and as such is at all times under the command of his designated police department superiors. However, during those hours in which the officer is assigned to the school, he/she shall report to the principal or his/her designee. When the officer is not functioning as the Police Liaison Officer, he/she will report to his/her designated supervisor at the Moline Police Department.

**Duties:** The position of Police Liaison Officer is a staff liaison position and is considered an integral part of the pupil personnel services of the school. Specifically, the position is a part of the school administration and in this relationship the officer's duties are under the authority and responsibility of the school principal.

The Police Liaison Officer shall not be responsible for the enforcement of school district policies, but shall assist the staff in said enforcement when requested to do so.

As a member of the school staff, the Police Liaison Officer:

1. Serves as the liaison between the school and the Moline Police Department, promotes the development of effective communication between the school and legal authorities, and coordinates the provision of police services to the school.

2. Serves as a consultant to School District No. 40 in matters of crime prevention, law enforcement, community youth services and other related matters.

3. Pro-actively works with school personnel to prevent crime on school grounds, to protect students and staff, and to provide a safe and secure school environment. In this role the liaison officer patrols the school and grounds, supervises parking lots, monitors pedestrian and vehicular traffic on school grounds, and prevents loitering and trespassing on school property when requested to do so.

4. Conducts and/or coordinates the police investigation of incidents involving the school, its staff and students. The officer will also investigate other cases or perform other duties assigned by his designated police department supervisor.

5. As a Police Juvenile Officer, the Police Liaison Officer must develop and maintain a familiarity with community delinquency patterns, trouble spots, and other youth and community problems.

6. Confers with and assists deans, counselors, and other school staff concerning individuals, families and neighborhoods in the early identification of troubled, neglected or abused youths and delinquent behavior.

7. Participates in providing advice and guidance to students and parents and assists in referral to appropriate community services.

8. Assists school staff in the prevention of truancy, in processing truancy cases, and in making home visits when required.

9. Assists school staff in the supervision of extra-curricular school activities as requested.

10. Performs other duties as assigned by the school administration or by his/her designated police department supervisor.

Exhibit B

# STATEMENT OF COST

## MOLINE SCHOOL BOARD

## POLICE LIAISON OFFICERS

**08/01/2012 - 07/31/2013**
**12-Month Period - Quarterly Billings (4)**

| LINE ITEM | AHS | JDMS | HS | WMS | TOTAL |
|---|---|---|---|---|---|
| Salary (Assigned Officers) | 66,434 | 50,843 | 65,336 | 55,269 | 237,882 |
| Police Retirement (56.9397%) | 37,828 | 28,950 | 37,202 | 31,470 | 135,450 |
| Health Coverage ($1,129.48 fam/$432.74 sgl/mo.) | 13,554 | 13,554 | 0 | 13,554 | 40,662 |
| Qualification Pay ($25 or 30 month) | 360 | 360 | 300 | 300 | 1,320 |
| Life Insurance | 0 | 20 | 0 | 20 | 40 |
| Medicare (1.45% x base + qualification pay) | 969 | 742 | 952 | 806 | 3,468 |
| Worker's Compensation (base + qual. pay /100 x $4.37 | 2,919 | 2,238 | 2,868 | 2,428 | 10,453 |
| Annual Training Center Fee | 75 | 75 | 75 | 75 | 300 |
| Clothing Allowance (Paid in June & December) | 700 | 700 | 700 | 700 | 2,800 |
| **TOTAL 12-MONTH COST** | **122,838** | **97,483** | **107,433** | **104,622** | **432,37~~5~~**6 |
| **SCHOOL BOARD SHARE (45%)** | **55,277** | **43,867** | **48,345** | **47,080** | **194,569** |

| | Quarterly Amount | Statement Dates | | | |
|---|---|---|---|---|---|
| (Note: One officer does not carry City health coverage) | $48,642.25 | November 1, 2012 | February 1, 2013 | May 1, 2013 | August 1, 2013 |

Council Bill/Resolution No. 1222-2012
Sponsor: ________________________________

A RESOLUTION

ACCEPTING the Moline Police Pension and Firefighters' Pension actuarial valuation reports submitted by Art Tepfer, Actuary as of January 1, 2012 for the fiscal year ending December 31, 2012.

______________________

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MOLINE, ILLINOIS, as follows:

That the actuarial reports submitted by Art Tepfer, Actuary, as of January 1, 2012 for the fiscal year ending December 31, 2012 are hereby accepted by the City Council as an accurate actuarial valuation of the City of Moline's Police Pension and Firefighters' Pension Funds and that these reports be filed with the State of Illinois Department of Insurance Pension Division's Office.

BE IT FURTHER RESOLVED that the City Clerk is hereby authorized to maintain said actuarial valuation reports as a public record in the Office of the City Clerk.

CITY OF MOLINE, ILLINOIS

________________________________
Mayor

August 28, 2012
Date

Passed: August 28, 2012
Approved: September 4, 2012

Attest: ________________________
City Clerk

Approved as to Form:

________________________________
City Attorney

CITY OF MOLINE
FIREFIGHTERS' PENSION FUND

ACTUARIAL VALUATION
AS OF JANUARY 1, 2012 FOR THE
FISCAL YEAR ENDING DECEMBER 31, 2012

July 19, 2012

Tepfer
Consulting
Group, Ltd.

*Actuaries and Administrators*
145 Revere Drive
Northbrook, Illinois 60062-1555
847-509-7740 Fax: 847-509-7745
www.TepferConsulting.com

July 19, 2012

Ms. Kathleen Carr
Finance Director
City of Moline
1630 8th Avenue
Moline, IL 61265-2121

RE: Moline Firefighters' Pension Fund

Dear Kathy:

Enclosed is our actuarial valuation report for the **Moline Firefighters' Pension Fund** for the fiscal year January 1, 2012 through December 31, 2012.

The results of our valuation indicate that the recommended minimum contribution from the City for the next tax year is **$3,279,523** or **70.58%** of current payroll. This contribution coupled with the anticipated $420,383 or 9.455% of current payroll to be collected from participating firefighters will be sufficient to meet the State statutory requirements described in 40 ILCS 5/4. Further information is provided within our report.

Alternatively, under the current statute, our valuation results indicate the statutory minimum contribution for the City for the next tax year to be $2,249,257 or 48.41%.

With the publication of Statement No. 25 of the Governmental Accounting Standards Board, we our report includes the calculation of the unadjusted Annual Required Contribution. (ARC) We have chosen to calculate this contribution as a level percentage of payroll funded amortization of the unfunded liability over a closed 40 year period beginning with the date of adoption of GASB 25. This amount is $3,115,083 or 67.05% of participating payroll.

The increase in employer pension contributions resulting from the implementation of P.A. 93-0689 has been estimated to be **$ 50,878.**

Factors Influencing the Choice of Actuarial Assumptions

As part of the consulting process, it is our policy to talk with selected members of the Board of Trustees and the Sponsor's representatives for the **City of Moline Firefighters' Pension Fund** in order to obtain information which will enable the Actuary to properly choose the actuarial assumptions which are most appropriate for the current cost determination for the pension fund.

Prior to the meeting, statistics are compiled concerning historical investment returns, salary increases, retirement incidence and other factors which are influential in the actuarial assumption setting process. Based upon an analysis of the specifics as they relate to the **City of Moline Firefighters' Pension Fund** and a general understanding of the inter-relationships of the actuarial assumptions, the Board, the Sponsor and the Actuary reach a mutual agreement as to the assumptions which will be used in the current actuarial valuation.

Published statistics regarding experience for police and firefighters are available from the State of Illinois Department of Insurance. These statistics form the basis of the actuarial assumptions selected by the State Actuary in the valuation of pension funds covered under the Downstate Pension System. We have found in our consulting, that whenever appropriate, the actuarial assumptions used by the State Actuary are relied upon as a starting point. However, in order to make the calculations more "***Moline-sensitive***", the analysis of the actual historical performance is carefully examined.

Experience Analysis

As discussed earlier, each year the actuarial process examines the experience of the fund. General parameters indicate that a variance of less than 3% of the unfunded liability is acceptable to assure that the assumptions used remain suitable. The measurement compares the actual unfunded liability to the expected unfunded liability. The total gain and loss developed is then analyzed by individual assumption to assure appropriateness. Based upon the results of this year's analysis, both in aggregate and individually, we have determined that the chosen assumptions remain suitable for continued use. However, we would be remiss if we did not advise that the assumed investment return assumption of 7.5% is only marginally acceptable for continued funding.

Ms. Kathleen Carr
Finance Director
City of Moline
1630 8th Avenue
Moline, IL 61265-2121

Demographic considerations

For this valuation, it was noted that the force continues to remain stable as to its size and demographic composition. In the current valuation, it was observed that the number of inactive participants (100, exclusive of terminated employees who are due a refund of their contributions) as compared to active participants (66) in the Fund is substantially higher than the State average (60% of the total participants are inactive as compared to a State average of 38%) and, the average age and service of the active participating group is slightly higher than the State average. As a percentage of the total pension liabilities, the liabilities for inactive participants are well above the State average.

Of further concern, is the fact that there are currently 12 firefighters who are eligible to retire and 8 firefighters who will become eligible in the next 5 years. This represents about 30% of the current active group. Additionally, pension payments have been escalating. Nonetheless, absent a large growth in the active force, with proper funding, the fund's position should become more favorable for the foreseeable future and although improving the fund is still not in a strong financial condition.

As would be expected in this situation, a very large portion of the assets available for investment has been committed to provide benefits for existing pensioners and beneficiaries. Essentially then, all of the assets in the plan are already dedicated to cover the liabilities for the currently retired participants. Additionally, pension disbursements on an annual basis total approximately $4.1 million and investment earnings are currently insufficient to provide for these payments on an ongoing basis and generally have been for the past few years.

As indicated last year, municipal contributions and contributions by active firefighters are being used to pay current expenses. These funds are generally the major source of new funds for investment purposes to accumulate reserves. Even with improved investment returns, the maturing of the employee group requires that the fund be carefully monitored during the next few years to assure that an orderly funding progress is maintained. If investment income remains insufficient to pay the existing pensioners, then municipal and participant contributions will continue to be used.

*Financial considerations*

In these uncertain times, the fund continues to experience very limited short-term investment growth. Furthermore, the fund continues to maintain less than adequate funded ratios. The fund has earned marginal rates of return over the short term. As shown in Exhibit 5-C of our report, the composite rate of return for the fund since 2005 is 2.56%. The investment smoothing method adopted initially by the fund and now mandated by statute serves to level the contribution and shield against annual investment volatility. However, it is not unnoticed that annual pension payments far exceeded the investment income during 2011, and an annual investment return of 15.52% would be needed to cover the outgoing benefit expenses. The Trustees should be advised that this is a potentially dangerous situation regarding the fund. Clearly municipal contributions will remain at high levels until the fund can annually increase its investment return.

We ask that you review the section entitled "Actuarial experience since the last actuarial valuation" beginning on page 2 for a further explanation of what has occurred since the last actuarial valuation.

Please do not hesitate to contact us if you have any questions concerning our report.

Sincerely,

**TEPFER CONSULTING GROUP, LTD.**

Arthur H. Tepfer, A.S.A., M.A.A.A.
Consulting Actuary

AHT/lf
Encl.

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## ACTUARIAL STATEMENT

**Tepfer Consulting Group, Ltd**. was retained by the **City of Moline and City of Moline Firefighters' Pension Fund** to perform an independent actuarial valuation for the Firefighters' Pension Fund. This valuation is permitted under 40 ILCS 5/22, Section 503.2.

The actuarial valuation was performed for the year ended December 31, 2012 and indicates a **statutorily required contribution in accordance with 40 ILCS 5/4, Section 118 of $2,249,257 or 48.41% of member payroll, a recommended minimum contribution of $3,279,523 or 70.58% of payroll, and an Annual Required Contribution in accordance with paragraph 36f of Statement No. 25 of the Governmental Accounting Standards Board of $3,115,083 or 67.05% of payroll.** These contributions are net of contributions made by active member firefighters during the fiscal year.

The results shown in this report have been calculated under the supervision of a qualified Actuary as defined in appropriate State statutes. All results are based upon demographic data submitted by the Firefighters' Pension Fund, financial data submitted by the Firefighters' Pension Fund, applications of actuarial assumptions, and generally accepted actuarial methods.

In our opinion, all calculations and procedures are in conformity with generally accepted actuarial principles and practices; and the results presented comply with the requirements of the applicable State statute, Actuarial Standards Board, or Statements of Governmental Accounting Standards, as applicable.

In our opinion, the actuarial assumptions used are reasonable, taking into account the experience of the plan and future expectations, and represent a reasonable and adequate approach to the financing of the retirement program. The costs, actuarial liabilities and other information presented in this report, in our opinion, fully and fairly disclose the actuarial position of the plan.

I, Arthur H. Tepfer, am an Enrolled Actuary in good standing under the Employee Retirement Income Security Act of 1974. I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. I certify that the results presented in this report are accurate and correct to the best of my knowledge.

**TCG PUBLIC CONSULTING, LTD.**

Arthur H. Tepfer, A.S.A., M.A.A.A.
Enrolled Actuary #11-02352

July 19, 2012

## VALUATION OBJECTIVES

The **City of Moline Firefighters' Pension Fund** provides benefits to members when they retire, die, become disabled or terminate employment. As with any plan providing these types of benefits, an appropriate budgeting pattern must be established to enable appropriate funds to be accumulated to meet all payments when due. The actual cost of the plan can best be expressed in the following simplistic manner:

**ACTUAL COST EQUALS** Benefits Paid

Plus

Expenses Paid

Less

Investment Income Earned

If the actual cost is incurred on a "pay as you go" basis, then the future generations of members will be paying for the benefits of current plan participants. Proper financial planning calls for budgeting the actual cost of the plan over the working lifetime of current plan membership in order to establish an equitable allocation. An actuarial valuation is the procedure used to determine an appropriate amount to be contributed to the pension plan each year in order to attain this equity.

An actuarial valuation is an estimate at a particular point in time of the predicted incidence of the future benefit costs. Since the actual cost of the plan is essentially unknown, pre-funding (budgeting for future benefit costs) requires certain assumptions about future events. Assumptions are made for such things as salary increases, terminations of participants, disablement of participants, death of participants and anticipated investment earnings. These assumptions although not affecting the actual costs of the plan will affect the incidence of predicted future costs. For proper funding, it is required that the Actuary select assumptions which are appropriate in light of the economic, demographic, and legislative environment as they relate to the pension program. The assumptions we have made concerning these future events are described more fully in Appendix 2 of this report. Based on these assumptions, a projection of future benefits was made and a current contribution level sufficient to provide the anticipated benefit payments was determined through the use of an actuarial cost method.

Selection of the Actuarial Cost Method

An actuarial cost method, sometimes called a "funding method", therefore, is essentially an approach to budgeting the estimated future costs. There are many actuarial cost methods which are available to the actuary and each method operates differently. However, all funding methods accomplish the same objective—to assign to each fiscal year of the employer the portion assumed to have accrued in that year. The portion of the actuarial value of benefits assigned to a particular year in respect of an individual participant or the fund as a whole is called the ***normal cost.*** All funding methods are described by how the normal cost is calculated.

The actuarial cost method prescribed by the State statutes to determine the ***statutorily minimum required contribution*** for periods on or after January 1, 2011 is the Projected Unit Credit Cost Method. Under this actuarial cost method, the ongoing cost as a percentage of total payroll will increase. In this method, the normal cost is determined by first calculating the projected dollar amount of each participant's accumulated benefit under the plan as of both the first day of the fiscal year and as of the last day of the fiscal year and then determining the difference between these two amounts. The second step in deriving the normal cost for a given participant is to multiply the dollar amount of this difference by the actuarial present value of $1 of benefit.

The actuarial cost method selected by our firm to determine the ***recommended plan contribution*** is the Entry Age Normal Cost Method. Under this actuarial cost method, ideally, the ongoing cost as a percentage of total payroll should remain fairly stable. In this method, the normal cost is determined by assuming each participant covered by the plan entered the plan under the same conditions that will apply to future plan entrants. The annual normal cost assigned to each year of an employee's career is calculated as a level percentage of the employees assumed earnings each year. These normal costs accumulate to the present value of the employee's benefit at retirement age.

## VALUATION OBJECTIVES

Under both the Entry Age Normal Cost Method and the Projected Unit Credit Cost Method, the total funding of projected benefit costs is allocated between an ***unfunded liability***, representing past benefit history, and future normal costs. This allocation is based on the assumption that the municipality will pay the normal cost for each plan year on a regular basis. It should be noted that although the term "unfunded liability" is applied to both funding methods, the resulting amount is different because of the method of calculation. Another feature of these methods is that only the unfunded liability is affected by the experience of the plan, and therefore any adjustments are made in the future amortization payments.

In addition to the methodology changes described above, P.A. 96-1495 also addressed the valuation of pension fund assets—the second component in the determination of the unfunded liability. The statute now provides that the actuarial value of a pension fund's assets be set equal to the market value of the assets on March 30, 2011 and that, in determining the actuarial value of assets after that date, any actuarial gains or losses from investment returns incurred in a fiscal year be recognized in equal amounts over the 5-year period following that fiscal year.

The actuarial valuation process is usually repeated each year and is to a certain extent self-correcting. As part of these actuarial cost methods, any deviation of actual experience from the chosen actuarial assumptions will be reflected in future contributions. A complete description of these actuarial cost methods is explained in Appendix 4 of this report.

Despite the statutory language which requires an application of the Projected Unit Credit method, we feel that funding under this method as a *level percentage of payroll* severely undermines the benefit security of the retirement system and transfers the payment for currently earned pensions to future generations of taxpayers. For these reasons, our valuation report also presents a recommended minimum contribution that will operate to maintain the fundamental fiscal soundness of the retirement program, although a statutorily required contribution has also been calculated. The calculation of the recommended minimum contribution is based upon an amortization payment of 90% of any unfunded accrued liabilities as a *level dollar amount* over 30 years from January 1, 2011, the effective date of P.A. 96-1495. The calculation of the statutorily required contribution is based upon an amortization payment of 90% of any unfunded accrued liabilities as a "*level percentage of payroll*" over 30 years from January 1, 2011, the effective date of P.L. 96-1495.

Although, I do not agree with the statutorily required level percentage of payroll methodology of determining the amortization of the unfunded accrued liability, I would be remiss if I did not advise my funds as to a "statutorily" acceptable calculation under the State law.

Effective for periods beginning after June 15, 1996, the Governmental Accounting Standards Board has issued Statement No. 25 "Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans". This Statement establishes a financial reporting framework for defined benefit pension plans that distinguishes between two categories of information: (a) current financial information about plan assets and financial activities and (b) actuarially determined information, from a long-term perspective, about the funded status of the plan and the progress being made in accumulating sufficient assets to pay benefits when due. The calculation of the Annual Required Contribution (ARC) is described in paragraph 36f of the Statement and is based upon an amortization payment of any unfunded accrued liabilities as either a level dollar amount or a level percentage of total payroll over a maximum of 40 years from the effective date of the Statement. Any significant increase in the total unfunded actuarial liability resulting from a change in actuarial methodology should be amortized over a period not less than 10 years.

Actuarial experience since the last actuarial valuation

As part of the actuarial valuation process, it is helpful to examine the actual experience of the fund as compared to the experience which is expected by the actuarial assumptions. The measurement of any deviations of actual to expected experience is commonly referred to as a "Gain and Loss Analysis". In performing this analysis, the actuary analyzes each actuarial assumption used in the valuation process. It is highly unlikely that actual experience will follow expected experience on a year-by-year basis. It is hoped that over the long term, if the actuarial assumptions are "reasonable", the total gains and losses will offset each other.

A "gain and loss analysis' is a useful tool to examine whether the actuarial assumptions used to determine the municipal tax levy are suitable. Care must be taken in placing too much credibility in a short-term analysis as the assumptions are more appropriately measured over the long term. Nonetheless, an annual evaluation of the actuarial assumptions will assist in identifying trends which, if unnoticed, can lead to inappropriate conclusions. When these trends are recognized, it is the actuary's responsibility to modify one or more of the assumptions to better anticipate future experience.

## VALUATION OBJECTIVES

Some assumptions are easier to measure than others. In small plans, credible analysis can generally be made regarding the economic (financial) assumptions. These primarily include investment and salary increase assumptions. Unfortunately, it is often impossible to establish credible long term analysis of demographic assumptions (rates of termination, disability, retirement and mortality). Therefore, in choosing demographic assumptions, the actuary generally relies upon standardized tabular assumptions modified only by fund-specific characteristics.

The actuarial gain and loss analysis for the current year is presented in Exhibit 3-C and 3-D of the report. Exhibit 3-C shows the impact of the actuarial gains or losses on the recommended minimum contribution through a reconciliation of this contribution from the end of the prior valuation year to the end of the current valuation year. Exhibit 3-D derives the actuarial gain or loss in total as well as separating the individual financial and demographic components.

The overall experience gain (loss) for the year was $ (1,669,648) or 2.58% of the accrued liability at the beginning of the plan year. The dollar amount for the plan's recommended minimum contribution is 109.03% of the prior year's contribution. When measured as a percentage of payroll, the contribution level has changed from 64.54% to 70.58%*.

Thirty-year Projection of Liabilities

The final section of our report illustrates projected payments from the Trust Fund for a 30-year period commencing with the valuation date. These projections are based upon the actuarial assumptions selected for the fund concerning death, disability and retirement actually occurring. Care should be taken in interpreting or relying on these results-- particularly for Funds with fewer than 200 participants. The credibility of this type of projection is rarely realized beyond 10 years. Exhibit 5D presents this projection.

## RESULTS OF VALUATION

The following exhibits present the results of our actuarial valuation of the **City of Moline Firefighters' Pension Fund** for the fiscal year January 1, 2012 through December 31, 2012.

Exhibit 1 indicates that the recommended minimum contribution, calculated using the Entry Age Normal Cost method (EANC), from the City is $3,279,523 or 70.58% of total participating payroll. **Under the Entry Age Normal actuarial cost method selected, this percentage of payroll should remain reasonably level over the lifetime of the plan**.

Exhibit 1 also indicates that the statutory minimum contribution, calculated using the Projected Unit Credit method (PUC), from the City is $2,249,257 or 48.41% of total participating payroll. **Under the Projected Unit Credit actuarial cost method selected, this percentage of payroll should increase over the lifetime of the plan**.

Exhibits 2 and 3 provide specific information used to develop the recommended minimum and statutorily required City contribution and GASB Annual Required Contribution (ARC).. The Annual Required Contribution as of January 1, 2012 has been determined under the Governmental Accounting Standards Board Statement No. 25 and is required disclosure for the fiscal year ending December 31, 2012. The Entry Age Normal Cost and the Actuarial Accrued Liability were determined using the Entry Age Normal Cost Actuarial Cost Method.

The Entry Age Normal Cost has been determined as a level percentage of projected payroll of the active members of the group. The amortization method for the Unfunded Actuarial Accrued Liability is determined as a level percentage of payroll amount over a closed Amortization Period as permitted in Governmental Accounting Standards Board Statement No. 25.

Contribution amounts presented in this report have not been adjusted for interest to the date of payment. All values were determined on the basis of the actuarial assumptions and methods as more fully described in Appendix1 of this report.

Exhibit 4 presents a brief description of the demographic characteristics of the current member group.

Exhibit 5 shows information relating to the pension assets.

**GENERAL VALUATION RESULTS FOR FISCAL YEAR**
**JANUARY 1, 2012 THROUGH DECEMBER 31, 2012**

Recommended Minimum Contribution

| | | |
|---|---|---|
| 1. | Entry Age Normal Cost: | $ 1,017,556 |
| 2. | Unfunded Actuarial Accrued Liability (or Surplus): | 36,946,538 |
| 3. | Actuarial Value of Assets: | 27,715,000 |
| 4. | Annual Salaries of Active Firefighters: | 4,446,145 |
| 5. | Recommended Minimum Contribution from the City: | 3,279,523 |
| | Contribution Percentage: | 70.58%* |

Statutory Minimum Contribution

| | | |
|---|---|---|
| 1. | Projected Unit Credit Normal Cost: | $ 1,072,816 |
| 2. | Unfunded Actuarial Accrued Liability (or Surplus): | 34,525,237 |
| 3. | Actuarial Value of Assets: | 27,715,000 |
| 4. | Annual Salaries of Active Firefighters: | 4,446,145 |
| 5. | Statutory Minimum Contribution from the City: | 2,249,257 |
| | Contribution Percentage: | 48.41%* |

* Projected for the fiscal year ending December 31, 2012.

**SUMMARY OF SPECIFIC VALUATION RESULTS**

| | Number | Actuarial Present Value of Projected Benefits | Entry Age Normal Cost | Projected Unit Credit Normal Cost |
|---|---|---|---|---|
| 1. Active Firefighters: | 66 | | | |
| Retirement Pension: | | $21,748,996 | $655,354 | $831,539 |
| Survivors Pension: | | 994,676 | 54,520 | 49,225 |
| Disability Pension: | | 5,774,541 | 287,028 | 178,086 |
| Withdrawal Pension: | | 206,579 | 20,654 | 13,966 |
| TOTAL . . . . . . . | 66 | $28,724,792 | $1,017,556 | $1,072,816 |
| 2. Inactive Firefighters and Survivors: | | | | |
| Normal Retirees: | 62 | $35,712,010 | | |
| Widows (Survivors): | 22 | 2,781,752 | | |
| Children (Survivors): | 0 | 0 | | |
| Disabled Retirees: | 15 | 6,764,313 | | |
| Deferred Vested: | 1 | 54,329 | | |
| Terminated/Separated: | 1 | 2,312 | | |
| TOTAL . . . . . . . | 101 | $45,314,716 | | |

## SUMMARY OF SPECIFIC VALUATION RESULTS
## (Continued)

| | | Entry Age Normal (EAN) | Projected Unit Credit (PUC) |
|---|---|---|---|
| 3. | Total Actuarial Present Value of Projected Benefits: | $74,039,508 | N/A |
| 4. | Actuarial Present Value of Future Normal Costs: | 9,377,970 | N/A |
| 5. | Actuarial Accrued Liability: [(3) - (4)] | 64,661,538 | 62,240,237 |
| 6. | Actuarial Value of Assets: | 27,715,000 | 27,715,000 |
| 7. | Unfunded Actuarial Accrued Liability (or Surplus): [(5) - (6) ] | 36,946,538 | 34,525,237 |
| 8. | Funded Ratio Percentage: [(6) ÷ (5)] x 100 | 42.86% | 44.53% |

## HISTORY OF FUNDED PERCENTAGES

| For the Year beginning January 1 | Valuation Assets | EAN Accrued Liabilities | EAN Funded Percentage | PUC Accrued Liabilities | PUC Funded Percentage |
|---|---|---|---|---|---|
| 2012 | $27,715,000 | $64,661,538 | 42.86% | $62,240,237 | 44.53% |
| 2011 | 29,183,658 | 62,032,976 | 47.05 | 59,678,809 | 48.90 |

## DEVELOPMENT OF RECOMMENDED MINIMUM CITY CONTRIBUTION

| | | Fiscal Year January 1, 2012 through December 31, 2012 |
|---|---|---|
| 1. | Entry Age Normal Cost: | $1,017,556 |
| | Interest to December 31, 2012: | 76,317 |
| | (a) Total | $1,093,873 |
| | (b) 17½% of Projected Payroll | 778,075 |
| | (c) Minimum Cost Payable, greater of (a) and (b): | $1,093,873 |
| 2. | Recommended Minimum Payment to Amortize 90 % of the Entry Age Normal Unfunded Accrued Liability as a level dollar amount over 28.99932 Years from January 1, 2012 with interest to December 31, 2012 : | 2,606,033 |
| 3. | Credit for Surplus: | 0 |
| 4. | Initial Recommended Minimum Contribution for Fiscal Year 2012: [(1) + (2) + (3)] | 3,699,906 |
| 5. | Statutory Minimum Contribution (Exhibit 3B line 5) | 2,669,640 |
| 6. | Total Recommended Minimum Contribution for Fiscal Year 2012: [Greater of Line 4 and Line 5] | 3,699,906 |
| 7. | Active Member Contributions (9.91% of Salaries): | 420,383 |
| 8. | Net Recommended Minimum City Contribution: [(6) - (7)] | 3,279,523 |

**DEVELOPMENT OF STATUTORILY REQUIRED CITY CONTRIBUTION**
*(NOTE THAT THIS CONTRIBUTION CALCULATION IS NOT RECOMMENDED)*

| | | Fiscal Year January 1, 2012 through December 31, 2012 |
|---|---|---|
| 1. | Projected Unit Credit Normal Cost: | $1,072,816 |
| | Interest to December 31, 2012: | 80,461 |
| | (a) Total | $1,153,277 |
| | (b) 17½% of Projected Payroll | 778,075 |
| | (c) Minimum Cost Payable, greater of (a) and (b): | $1,153,277 |
| 2. | Minimum Payment to Amortize 90% of the Projected Unit Credit Unfunded Accrued Liability as a level percentage of payroll over 28.99932 Years from January 1, 2012 with interest to December 31, 2012: | 1,516,363 |
| 3. | Credit for Surplus: | 0 |
| 4. | Total Statutorily Required Contribution for Fiscal Year December 31, 2012: [(1) + (2) + (3)] | 2,669,640 |
| 5. | Active Member Contributions (9.455% of Salaries): | 420,383 |
| 6. | Statutorily Required City Contribution: [(4) - (5)] | 2,249,257 |

**RECONCILIATION OF THE CHANGE**
**IN THE RECOMMENDED MINIMUM CITY CONTRIBUTION**

| | | |
|---|---|---|
| 1. | Recommended Minimum Contribution for Year ending 12/31/2011: | $3,007,810 |
| 2. | Increase in Normal Cost and Amortization Payment due to anticipated pay changes: | 110,264 |
| 3. | Increase/(Decrease) in Normal Cost resulting from actual pay changes: | ( 56,760) |
| 4. | Effect of Asset Smoothing: | ( 59,373) |
| 5. | Increase/(Decrease) resulting from changes in assumptions: | 0 |
| 6. | Increase/(Decrease) resulting from other demographic and financial sources (retirements, deaths, new entrants, salary changes, etc.): | (752,684) |
| 7. | Recommended Minimum Contribution for Year ending December 31, 2012: | $3,279,523 |

## GASB STATEMENT NO. 25 DISCLOSURE INFORMATION

## DEVELOPMENT OF THE ANNUAL REQUIRED CONTRIBUTION OF THE MUNICIPALITY

| | | Fiscal Year January 1, 2012 through December 31, 2012 |
|---|---|---|
| 1. | Entry Age Normal Cost | $1,017,556 |
| 2. | Actuarial Accrued Liability | 64,661,538 |
| 3. | Actuarial Value of Assets* | 24,707,190 |
| 4. | Unfunded Actuarial Accrued Liability | 39,954,348 |
| 5. | Payment to Amortize Unfunded Actuarial Accrued Liability Over 40 Years from the Effective Date of Application of GASB 25 (21 years remaining) | 2,517,910 |
| 6. | Total Annual Required Contribution for Fiscal Year December 31, 2012: [(1) + (5)] | 3,535,466 |
| 7. | Active Member Contributions (9.455% of Salaries): | 420,383 |
| 8. | **Annual Required Contribution (ARC) payable at the beginning of the current fiscal year: [(6) - (7)]** | **3,115,083** |

*Excluding Contributions Receivable

## DERIVATION OF EXPERIENCE GAIN(LOSS) AND COST METHOD CHANGE AS OF JANUARY 1, 2012

| | | |
|---|---|---|
| 1. | EANC Unfunded Actuarial Accrued Liability at 1/1/2011: | $32,849,218 |
| 2. | Entry Age Normal Cost Due at 1/1/2011: | 1,027,232 |
| 3. | Interest on (1) and (2) to January 1, 2012 (at 7.50% per year): | 2,540,734 |
| 4. | Contributions made for the prior year with interest to January 1, 2012: | 3,561,595 |
| 5. | Expected EANC Unfunded Actuarial Accrued Liability at January 1, 2012 Before Assumption Changes [(1) + (2) + (3) - (4)]: | 32,855,589 |
| 6. | Change in EANC Unfunded Actuarial Accrued Liability due to Assumptions Change at January 1, 2012: | 0 |
| 7. | Expected Unfunded Actuarial Accrued Liability at January 1, 2012 [(5) + (6)]: | 32,855,589 |
| 8. | Actual EANC Unfunded Actuarial Accrued Liability at January 1, 2012: | 36,946,538 |
| 9. | Gain (Loss) for the prior Plan Year [(7) – (8)]: | **$ (1,669,648)** |

The experience gain (loss) reported above is the net result of the following:

| | | |
|---|---|---|
| 1. | FINANCIAL SOURCES | |
| a) | Investment experience (based upon market value of assets): | $ (1,544,234) |
| b) | Contribution experience: | ( 5,195) |
| c) | Benefit Payments experience: | (108,501) |
| d) | Salary increases (greater)/lower than expected: | 214,022 |
| | Total from Financial Sources: | (1,443,908) |
| 2. | DEMOGRAPHIC SOURCES | |
| | Mortality, retirement, disability, termination, etc.: | (1,672,375) |
| 3. | ACTUARIAL ADJUSTMENTS | |
| | Market value adjustment for asset smoothing, including expenses | 1,446,635 |
| 4. | GAIN (LOSS) ALL SOURCES | |
| | Total Gain (Loss) for the prior Plan Year [(1) + (2) + (3)] | $ (1,669,648) |

**SUMMARY OF DEMOGRAPHIC INFORMATION AS OF JANUARY 1, 2012**

| | Number | Projected Annual Salaries (Fiscal Year 2012) |
|---|---|---|
| Active Firefighters: | 66 | $4,446,145 |

| | Number | Total Monthly Benefits |
|---|---|---|
| Normal Retirees: | 62 | $256,068 |
| Survivors (Widows): | 22 | 41,513 |
| Survivors (Children): | 0 | 0 |
| Disabled Retirees: | 15 | 40,971 |
| Deferred Vested: | 1 | 0 |
| Terminated/Separated: | 1 | 2,312 * |

* Return of Contributions

The actuarial valuation was performed as of January 1, 2012 to determine contribution requirements for fiscal year 2012.

## AGE AND SERVICE DISTRIBUTION

| Attained Age | COMPLETED YEARS OF SERVICE | | | | | | | | | | | Average Salaries |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 0-1 | 2-4 | 5-9 | 10-14 | 15-19 | 20-24 | 25-29 | 30-34 | 35-39 | 40+ | Total | |
| 15-19 | | | | | | | | | | | | 0 |
| 20-24 | | | | | | | | | | | | 0 |
| 25-29 | 1 | 8 | | | | | | | | | 9 | 47,279 |
| 30-34 | 1 | 4 | 4 | | | | | | | | 9 | 48,641 |
| 35-39 | | 5 | 2 | 5 | | | | | | | 12 | 61,631 |
| 40-44 | | 1 | 4 | 3 | 4 | | | | | | 12 | 69,876 |
| 45-49 | | | 1 | 2 | 2 | 4 | | | | | 9 | 78,158 |
| 50-54 | | | | 1 | 2 | 8 | 2 | | | | 13 | 84,783 |
| 55-59 | | | | | | 2 | | | | | 2 | 99,576 |
| 60-64 | | | | | | | | | | | 0 | - |
| 65+ | | | | | | | | | | | 0 | - |
| TOTAL | 2 | 18 | 11 | 11 | 8 | 14 | 2 | 0 | 0 | 0 | 66 | 67,366 |

Age = 40.71 Years

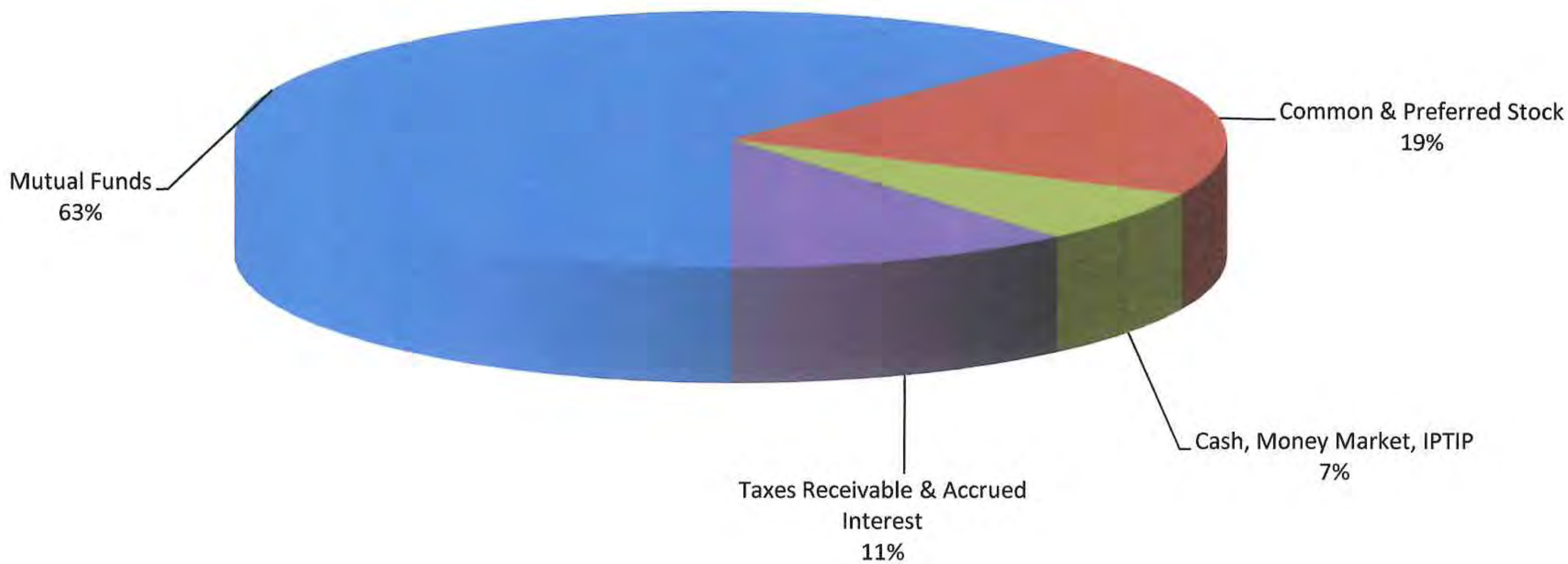
Service = 12.01 Years

**ASSET INFORMATION**

| | |
|---|---|
| Cash, Money Market, IPTIP | $1,779,401 |
| Certificates of Deposit | 0 |
| State and Local Obligations | 0 |
| U.S. Government Obligations | 0 |
| Insurance Company Contracts | 0 |
| Pooled Investment Accounts | 0 |
| Mutual Funds | 16,482,108 |
| Common & Preferred Stock | 5,126,989 |
| Taxes Receivable | 3,007,811 |
| Accrued Interest | 13 |
| Other Receivables | 0 |
| Net Liabilities | 0 |
| Net Present Assets at Market Value | $26,396,322 |

The chart on the following page shows a percentage of invested assets.

## ASSET INFORMATION



**DEVELOPMENT OF ACTUARIAL VALUE OF ASSETS**

1. Market Value of Assets, January 1, 2011 — 24,987,381

2. Actual Income and Disbursements in prior year weighted for timing

| Item | Amount | Weight for Timing | Weighted Amount |
|---|---|---|---|
| Contributions Received During 2011 | 3,443,234 | 50.00% | 1,721,617 |
| Miscellaneous Revenue | 0 | 50.00% | 0 |
| Benefit Payments and Expenses Made During 2011 | 4,012,460 | (50.00)% | (2,006,230) |
| Total | | | ( 284,613) |

| | | |
|---|---|---|
| 3. | Market Value of assets adjusted for actual income disbursements [(1) + 2(d)] | 24,702,768 |
| 4. | Assumed rate of return on plan assets for the year | 7.50% |
| 5. | Expected return on assets [(3) x (4)] | 1,852,708 |
| 6. | Market Value of Assets, January 1, 2011 | 24,987,381 |
| 7. | Income (less investment income) for prior year | 3,443,234 |
| 8. | Disbursements paid in prior year | 4,012,460 |
| 9. | Market Value of Assets, January 1, 2012 | $26,396,321 |
| 10. | Actual Return [(9) + (8) – (7) – (6)] | 1,978,166 |
| 11. | Investment Gain/(Loss) for Prior Year [(10) – (5)] | 125,458 |

**DEVELOPMENT OF ACTUARIAL VALUE OF ASSETS**
**(Continued)**

12. Market Value of Assets, January 1, 2012: $26,396,321

13. Deferred investment gains and (losses) for last 4 years:

| | Plan Year Beginning | Gain/(Loss) | Percent Deferred | Deferred Amount |
|---|---|---|---|---|
| a) | 2012** | $ 125,458 | 80% | $ 100,367 |
| b) | 2011 | $ 261,109 | 60% | $ 156,665 |
| c) | 2010 | $ (1,290,062) | 40% | $ ( 516,025) |
| d) | 2009 | $ (5,298,433) | 20% | $ (1,059,687) |
| e) | Total | $ (6,201,928) | | $ (1,318,679) |

14. Actuarial value of plan assets for funding,, January 1, 2012: Item (12) less item 13(e): 27,715,000

15. Taxes receivable: 3,004,090

16. Actuarial value of plan assets for GASB reporting January 1, 2012 item (14) less item (15)*: 24,710,910

Notes: * excluding taxes receivable

* *The calculated value is determined by adjusting the market value of assets to reflect investment gains and losses (the difference between the actual investment return and the expected investment return) during each of the last five years at the rate of 20% per year. For the actuarial value of plan assets as of March 31, 2011, the actuarial value of assets was set to the market value of assets.

**ANALYSIS OF INVESTMENT RETURN**

| Fiscal Year Ending December 31 | Annual Rate of Return |
|---|---|
| 2011 | 2.43% |
| 2010 | 8.16 |
| 2009 | 1.91 |
| 2008 | -11.28 |
| 2007 | 5.75 |
| 2006 | 8.41 |
| 2005 | 3.93 |
| Composite | |
| 2005-2011 | 2.56% |

## THIRTY - YEAR PROJECTION OF PAYMENTS

| | Payouts from Active Group Upon | | | | | Payouts from | | Total |
|---|---|---|---|---|---|---|---|---|
| | Termination | | Death | Retirement | Disability | Retired Group | Deferred Pensioners | |
| Year | Lump Sum | Deferred Pension | | | | | | |
| 2012 | 4,218 | 0 | 14,470 | 89,529 | 31,921 | 4,058,909 | 2,312 | 4,201,359 |
| 2013 | 3,095 | 0 | 22,255 | 193,667 | 62,316 | 4,018,597 | 0 | 4,299,930 |
| 2014 | 2,931 | 0 | 22,114 | 295,899 | 95,524 | 3,977,973 | 0 | 4,394,441 |
| 2015 | 2,517 | 0 | 30,364 | 404,927 | 129,900 | 3,913,260 | 0 | 4,480,968 |
| 2016 | 1,986 | 0 | 36,508 | 521,755 | 166,794 | 3,849,273 | 0 | 4,576,316 |
| 2017 | 952 | 0 | 44,186 | 646,921 | 202,753 | 3,775,553 | 0 | 4,670,365 |
| 2018 | 0 | 0 | 50,941 | 780,764 | 239,489 | 3,696,872 | 0 | 4,768,066 |
| 2019 | 0 | 0 | 58,008 | 926,555 | 274,554 | 3,613,579 | 0 | 4,872,696 |
| 2020 | 0 | 0 | 65,130 | 1,060,435 | 307,191 | 3,525,870 | 0 | 4,958,626 |
| 2021 | 0 | 0 | 71,480 | 1,203,096 | 339,512 | 3,434,203 | 0 | 5,048,291 |
| 2022 | 0 | 0 | 78,736 | 1,334,814 | 371,291 | 3,339,014 | 0 | 5,123,855 |
| 2023 | 0 | 0 | 84,677 | 1,453,571 | 402,809 | 3,240,233 | 0 | 5,181,290 |
| 2024 | 0 | 0 | 91,746 | 1,578,007 | 435,077 | 3,138,184 | 0 | 5,243,014 |
| 2025 | 0 | 0 | 97,167 | 1,707,970 | 466,492 | 3,032,698 | 0 | 5,304,327 |
| 2026 | 0 | 0 | 103,425 | 1,857,837 | 499,060 | 2,923,995 | 0 | 5,384,317 |
| 2027 | 0 | 0 | 108,255 | 1,990,955 | 531,899 | 2,811,890 | 0 | 5,442,999 |
| 2028 | 0 | 0 | 113,914 | 2,110,063 | 564,653 | 2,696,211 | 0 | 5,484,841 |
| 2029 | 0 | 0 | 117,760 | 2,219,640 | 599,658 | 2,576,571 | 0 | 5,513,629 |
| 2030 | 0 | 0 | 122,609 | 2,366,635 | 629,999 | 2,452,791 | 0 | 5,572,034 |
| 2031 | 0 | 0 | 125,450 | 2,513,156 | 662,524 | 2,324,674 | 0 | 5,625,804 |
| 2032 | 0 | 0 | 129,837 | 2,651,588 | 693,408 | 2,192,164 | 0 | 5,666,997 |
| 2033 | 0 | 0 | 131,527 | 2,768,770 | 718,462 | 2,055,361 | 14,987 | 5,689,107 |
| 2034 | 0 | 0 | 134,916 | 2,882,017 | 742,151 | 1,914,534 | 15,294 | 5,688,912 |
| 2035 | 0 | 0 | 135,643 | 2,994,848 | 767,461 | 1,770,176 | 15,590 | 5,683,718 |
| 2036 | 0 | 0 | 137,953 | 3,103,017 | 790,420 | 1,623,158 | 15,870 | 5,670,418 |
| 2037 | 0 | 0 | 137,628 | 3,188,569 | 808,751 | 1,474,683 | 16,131 | 5,625,762 |
| 2038 | 0 | 0 | 138,716 | 3,254,108 | 823,110 | 1,326,102 | 16,370 | 5,558,406 |
| 2039 | 0 | 0 | 135,453 | 3,310,161 | 833,770 | 1,179,208 | 16,591 | 5,475,183 |
| 2040 | 0 | 0 | 135,378 | 3,351,867 | 848,197 | 1,035,798 | 16,774 | 5,388,014 |
| 2041 | 0 | 0 | 131,677 | 3,380,364 | 855,559 | 897,847 | 16,923 | 5,282,370 |

## ACTUARIAL ASSUMPTIONS

*(Economic)*

***Investment Return***
7.50% per annum, compounded annually (net of expenses).

***Salary Increases***
Representative values of assumed salary increases are as follows:

| Age | Increase % |
|---|---|
| 25 | 4.8611 |
| 30 | 2.9848 |
| 35 | 2.0341 |
| 40 | 1.5239 |
| 45 | 1.3083 |
| 50 | 1.1846 |
| 55 | 1.1220 |

An additional inflation allowance of 2.00% per year is added to the above.

***Payroll Growth***
It was assumed that payroll will grow 4.50% per year.

***Actuarial Asset Basis***
The Pension Fund previously used an actuarial value of assets for both government accounting and funding purposes. Starting with the actuarial valuation as of January 1, 2012, the actuarial value of assets recognizes future gains and losses based on a 5-year smoothed market method as prescribed by Statute.

In a 5-year smoothed market method, the current market value of assets is reduced (increased) for the current year and each of three succeeding years, by a portion of the gain/(loss) in market value during the prior year. Such gain/(loss) is determined as the excess/(deficit) of the current market value of assets over the market value of assets as of the prior year, increased to reflect interest at the actuarial rate and adjusted to reflect contributions and benefit payments during the prior year. The portion of such gain/(loss) by which the current market value of assets is reduced (increased) shall be 80% in the current year, 60% in the first succeeding year. 40% in the second succeeding year and 20% in the third succeeding year.

In the first year of application of this statutory smoothing method, the actuarial value of assets on 1/1/2011 was substituted for the market value of assets as of the same date

Additionally, in accordance with government accounting standards, the actuarial value of assets is adjusted to remove any contributions receivable on the reporting date.

***Expenses***
None assumed.

**(Demographic)**

***Mortality***

Active Lives

RP-2000 Combined Healthy Mortality Table (male) with blue collar adjustment and with a 200% load for participants under age 50 and 125% for participants age 50 and over. Five percent (5%) of deaths amongst active firefighters are assumed to be in the performance of their duty.

Non-Active Lives

RP-2000 Combined Healthy Mortality Table (male) with blue collar adjustment and with a 200% load for participants under age 50 and 125% for participants age 50 and over.

***Termination***

Illustrative rates of withdrawal from the plan for reasons other than death or disability are as follows:

| Age | Rate of Withdrawal |
|---|---|
| 20 | .0397 |
| 25 | .0250 |
| 30 | .0146 |
| 35 | .0079 |
| 40 | .0042 |
| 45 | .0029 |

It is assumed that terminated firefighters will not be rehired

***Disability Rates***

Incidence of disability amongst firefighters eligible for disability benefits:

| Age | Rate |
|---|---|
| 25 | .0009 |
| 30 | .0025 |
| 35 | .0046 |
| 40 | .0065 |
| 45 | .0097 |
| 50 | .0166 |
| 55 | .0314 |

15% of disabilities amongst active firefighters are assumed to be in the performance of their duty.

***Retirement Rates***

Retirements are assumed to occur between the ages of 50 and 69 in accordance with the following table:

| Age | Rate of Retirement | Age | Rate of Retirement |
|---|---|---|---|
| 50 | .19 | 60 | .28 |
| 51 | .12 | 61 | .36 |
| 52 | .04 | 62 | .44 |
| 53 | .06 | 63 | .52 |
| 54 | .09 | 64 | .60 |
| 55 | .12 | 65 | .68 |
| 56 | .15 | 66 | .76 |
| 57 | .19 | 67 | .84 |
| 58 | .22 | 68 | .92 |
| 59 | .25 | 69 | 1.00 |

**(Additional)**

***Marital Status***

85% of firefighters are assumed to be married.

***Spouse's Age***

Wives are assumed to be 3 years younger than their husbands.

***Actuarial Cost Method***

Projected Unit Credit for statutory minimum
Entry Age Normal for recommended and GASB reporting

**SUMMARY OF PRINCIPAL PLAN PROVISIONS**

***Definitions***

**Tier 1 – For Firefighters first entering Article 4 prior to January 1, 2011**

**Tier 2 – For Firefighters first entering Article 4 after December 31, 2010**

Firefighter (4-106): Any person employed in the municipality's fire service as a firefighter, fire engineer, marine engineer, fire pilot, bomb technician or scuba diver.

Creditable Service (4-108): Time served by a firefighter, excluding furloughs and leaves of absence in excess of 30 days, but including leaves of absence for illness or accident and periods of disability where no disability pension payments are received and also including up to 3 years during which disability payments have been received provided contributions are made.

Creditable Service from other specified agencies is also included. Combined service credit option is available on a voluntary basis.

***Pension (4-109)***

***Normal Pension Age***
**Tier 1** - Age 50 with 20 or more years of creditable service.

**Tier 2** - Age 55 with 10 or more years of creditable service.

***Normal Pension Amount***
**Tier 1** - 50% of the greater of the annual salary held in the year preceding retirement or the annual salary held on the last day of service, plus 2½% of such annual salary for service from 20 to 30 year (maximum 25%)].

**Tier 2** - 2½% of Final Average salary for each year of service. Final Average Salary is the highest salary based on the highest consecutive 96 months of the final 120 months of service

Early Retirement at age 50 with 10 or more years of service but with a penalty of ½% for each month prior to age 55.

Annual Salary capped at $106,800 increased yearly by the lesser of ½ of the Consumer Price Index- Urban (CPI-U) or 3%.

Minimum Monthly Benefit: $1,000
Maximum Benefit Percentage: 75% of salary
Minimum Monthly Benefit: Annual step rate increases from $1,030.00 to $1,159.27.

Maximum Benefit Percentage: 75% of salary except line of duty.

**SUMMARY OF PRINCIPAL PLAN PROVISIONS**
**(Continued)**

***Termination Pension Amount***
Any firefighter who retires or is separated from service with at least 10, but less than 20 years of credited service, shall be entitled to a monthly pension commencing at age 60 equal to the monthly rate of compensation based on rank at separation multiplied by the applicable percentage below:

| Years of Credited Service | Applicable Percentage |
|---|---|
| 10 | 15.0 % |
| 11 | 17.6 |
| 12 | 20.4 |
| 13 | 23.4 |
| 14 | 26.6 |
| 15 | 30.0 |
| 16 | 33.6 |
| 17 | 37.4 |
| 18 | 41.4 |
| 19 | 45.6 |

***Pension Increase***

***Non-Disabled***
**Tier 1** - 3% increase of the original pension amount after attainment of age 55 for each year elapsed since retirement, followed by an additional 3% of the original pension amount on each January thereafter. Effective July 1, 1993, 3% of the amount of pension payable at the time of the increase including increases previously granted, rather than 3% of the originally granted pension amount.

**Tier 2** - The lesser of ½ of the Consumer Price Index- Urban (CPI-U) or 3% increase of the original pension amount after attainment of age 60, followed by an additional 3% of the original pension amount on each January 1 thereafter. For firefighters who retire after January 1, 1986, 3% increase of the original pension amount after attainment of age 55 for each year elapsed since retirement, followed by an additional 3% in each January thereafter.

For firefighters who retire prior to January 1, 1986, but after July 1, 1971, the 3% increase commences at age 60, and for firefighters who retire before July 1, 1971, the 3% increase commences at age 65.

***Disabled***
3% increase of the original pension amount after attainment of age 60, followed by an additional 3% of the original pension amount in each January thereafter.

***Pension to Survivors (4-114)***

***Eligibility***
Death of a firefighter:

(1) on active duty as a result of any illness or accident;

(2) on disability retirement;

(3) on retirement with 20 years of service;

(4) as a terminated member who has rights to a benefit at age 60; and

(5) as a deferred pensioner.

**SUMMARY OF PRINCIPAL PLAN PROVISIONS**
**(Continued)**

***Death Benefit***
**Tier 1** - 54% of annual salary based on attained rank at date of separation of service to surviving spouse, plus 12% of such salary to dependent children under 18.

100% of annual salary if death occurs in the line of duty.

Depending upon the survival of the spouse, dependent children benefits may increase to a level of 20% of firefighter's salary.

Greater of 100% of monthly retirement benefit or 54% of annual salary if completed 20 years of service or on disability retirement.

**Tier 2** – 66 2/3% of pension amount to surviving spouse (or dependent children), subject to the following increase: the lesser of ½ of the Consumer Price Index- Urban (CPI-U) or 3%.increase of the original pension amount after attainment of age 60, followed by an additional 3% of the original pension amount on each January 1 thereafter.

***Minimum Monthly Survivor Pension***
Annual step rate increases from $1,030.00 to $1,159.27.

***Maximum Survivor Pension***
75% of such firefighter's salary.
***Disability Pension - Line of Duty (4-110)***

***Eligibility***
Suspension or retirement from fire service due to sickness, accident or injury while on duty.

***Pension***
Greater of 65% of salary attached to rank at date of suspension or retirement and the retirement pension available.

Minimum Monthly Benefit: Annual step rate increases from $1,030.00 to $1,159.27.

For each dependent child under 18, an additional $20 per month increased annually is granted each disabled member. Maximum total benefit is 75% of salary.

***Disability Pension - Not on Duty (4-111)***

***Eligibility***
Suspension or retirement from fire service for any cause other than while on duty. Member must have at least 7 years of credited service.

***Pension***
50% of salary attached to rank at date of suspension or retirement.

***Disability Pension - Occupational Disease (4-110.1)***

***Eligibility***
Suspension or retirement from service after 5 years of service from causes of heart disease, cancer, tuberculosis or other lung disease.

***Pension***
Same pension as in line of duty.

**SUMMARY OF PRINCIPAL PLAN PROVISIONS**
**(Continued)**

***Disability Pension Option A (4-113(a))***

***Eligibility***
Member receiving a disabled pension who attains age 50 and whose years of creditable service and years of disablement total 20 years.

***Pension Option***
Eligible for pension increase upon conversion to retirement. Pension amount remains the same at date of conversion but subject to annual pension increases.

***Disability Pension Option B (4-113(b))***

***Eligibility***
Member receiving disability pension who attains age 50 and who had 20 years of creditable service at date of disablement.

***Pension Option***
Convert to normal pension based upon years of service at disablement and salary attached to rank on date of election.

***Other Provisions***

***Refund (4-116)***
At death with no survivors, contributions are returned to estate.

At termination with less than 20 years of service, contributions are refunded upon request.

***Contributions by Firefighters (4.118.1)***
9.455% of salary, including longevity, but excluding overtime pay, holiday pay, bonus pay, merit pay or other cash benefit. Additional 1% of salary if combined service credit option is selected.

## GLOSSARY

***Actuarial Accrued Liability***
See ***Entry Age Normal Cost*** *Method and* ***Projected Unit Credit Cost*** *Method.*

***Actuarial Assumptions***
The economic and demographic predictions used to estimate the present value of the plan's future obligations. They include estimates of investment earnings, salary increases, mortality, withdrawal and other related items. The *Actuarial Assumptions* are used in connection with the *Actuarial Cost Method* to allocate plan costs over the working lifetimes of plan participants.

***Actuarial Cost Method***
The method used to allocate the projected obligations of the plan over the working lifetimes of the plan participants. Also referred to as an *Actuarial Funding Method.*

***Actuarial Funding Method***
See *Actuarial Cost Method*

***Actuarial Gain (Loss)***
The excess of the actual *Unfunded Actuarial Accrued Liability* over the expected *Unfunded Actuarial Accrued Liability* represents an *Actuarial Loss.* If the expected *Unfunded Actuarial Accrued Liability* is greater, an *Actuarial Gain* has occurred.

***Actuarial Present Value***
The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of *Actuarial Assumptions.*

***Actuarial Value of Assets***
The asset value derived by using the plan's *Asset Valuation Method.*

***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.

***Employee Retirement Income Security Act of 1974 (ERISA)***
The primary federal legislative act establishing funding, participation, vesting, benefit accrual, reporting, and disclosure standards for pension and welfare plans.

## GLOSSARY
## (Continued)

***Entry Age Normal Cost Method***
One of the standard actuarial funding methods in which the *Present Value of Projected Plan Benefits* of each individual included in the *Actuarial Valuation* is allocated on a level basis over the earnings of the individual between entry age and assumed exit age(s). The portion of this *Actuarial Present Value* allocated to a valuation year is called the *Normal Cost*. The portion of this *Actuarial Present Value* not provided for at a valuation date by the *Actuarial Present Value* of future *Normal Costs* is called the *Actuarial Accrued Liability*.

***Normal Cost***
The portion of the *Present Value of Projected Plan Benefits* that is allocated to a particular plan year by the *Actuarial Cost Method*. See *Entry Age Normal Cost Method* for a description of the Normal Cost under the *Entry Age Normal Cost Method*. See *Projected Unit Credit Cost Method* for a description of the Normal Cost under the *Projected Unit Credit Cost Method*.

***Present Value of Future Normal Costs***
The present value of future normal costs determined based on the *Actuarial Cost Method* for the plan. Under the *Entry Age Normal Cost Method*, this amount is equal to the excess of the *Present Value of Projected Plan Benefits* over the sum of the *Actuarial Value of Assets* and *Unfunded Actuarial Accrued Liability*.

***Present Value of Projected Plan Benefits***
The present value of future plan benefits reflecting projected credited service and salaries. The present value is determined based on the plan's actuarial assumptions.

***Projected Unit Credit Cost Method***
One of the standard actuarial funding methods in which the *Present Value of Projected Plan Benefits* of each individual included in the *Actuarial Valuation* is allocated by a consistent formula to valuation years. The *Actuarial Present Value* allocated to a valuation year is called the *Normal Cost*. The *Actuarial Present Value* of benefits allocated to all periods prior to a valuation year is called the *Actuarial Accrued Liability*.

***Statement No. 25 of the Governmental Accounting Standards Board (GASB No. 25)***
The accounting statement that established the standards of financial accounting and reporting for the financial statements of defined benefit pension plans.

***Unfunded Actuarial Accrued Liability***
The excess of the *Actuarial Accrued Liability* over the *Actuarial Value of Assets*.

CITY OF MOLINE
POLICE PENSION FUND

ACTUARIAL VALUATION
AS OF JANUARY 1, 2012 FOR THE
FISCAL YEAR ENDING DECEMBER 31, 2012

July 19, 2012

Tepfer Consulting Group, Ltd.
Actuaries and Administrators
145 Revere Drive
Northbrook, Illinois 60062-1555
847-509-7740 Fax: 847-509-7745
www.TepferConsulting.com

July 19, 2012

Ms. Kathleen Carr
Finance Director
City of Moline
1630 8th Avenue
Moline, IL 61265-2121

RE: Moline Police Pension Fund

Dear Kathy:

Enclosed is our actuarial valuation report for the **Moline Police Pension Fund** for the fiscal year January 1, 2012 through December 31, 2012.

The results of our valuation indicate that the recommended minimum contribution from the City for the next tax year is **$2,964,364 or 53.21%** of current payroll. This contribution coupled with the anticipated $530,854 or 9.91% of current payroll to be collected from participating police officers will be sufficient to meet the State statutory requirements described in 40 ILCS 5/3. Further information is provided within our report.

Alternatively, under the current statute, our valuation results indicate the statutory minimum contribution from the City for the next tax year to be $2,334,881 or 41.91% of current payroll.

With the publication of Statement No. 25 of the Governmental Accounting Standards Board, we have revised our report to include the calculation of the unadjusted Annual Required Contribution. (ARC) We have chosen to calculate this contribution as a level percentage of payroll funded amortization of the unfunded liability over a closed 40-year period beginning with the date of adoption of GASB 25. This amount is $2,998,141 or 53.82% of participating payroll.

Factors Influencing the Choice of Actuarial Assumptions

As part of the consulting process, it is our policy to talk with selected members of the Board of Trustees and the Sponsor's representatives for the **City of Moline Police Pension Fund** in order to obtain information which will enable the Actuary to properly choose the actuarial assumptions which are most appropriate for the current cost determination for the pension fund.

Prior to the meeting, statistics are compiled concerning historical investment returns, salary increases, retirement incidence and other factors which are influential in the actuarial assumption setting process. Based upon an analysis of the specifics as they relate to the **City of Moline Police Pension Fund** and a general understanding of the inter-relationships of the actuarial assumptions, the Board, the Sponsor and the Actuary reach a mutual agreement as to the assumptions which will be used in the current actuarial valuation.

Published statistics regarding experience for police and firefighters are available from the State of Illinois Department of Insurance. These statistics form the basis of the actuarial assumptions selected by the State Actuary in the valuation of pension funds covered under the Downstate Pension System. We have found in our consulting, that whenever appropriate, the actuarial assumptions used by the State Actuary are relied upon as a starting point. However, in order to make the calculations more "***Moline-sensitive***", the analysis of the actual historical performance is carefully examined.

Experience Analysis

Each year the actuarial process examines the experience of the fund. General parameters indicate that a variance of less than 3% of the unfunded liability is acceptable to assure that the assumptions used remain suitable. The measurement compares the actual unfunded liability to the expected unfunded liability. The total gain and loss developed is then analyzed by individual assumption to assure appropriateness. Based upon the results of this year's analysis, both in aggregate and individually, we have determined that the chosen assumptions generally remain suitable for continued use. However, we would be remiss if we did not advise that the assumed investment return assumption of 7.5% is only marginally acceptable for continued funding.

*TCG Public Consulting, Ltd. is affiliated with Tepfer Consulting Group, Ltd.

Ms. Kathleen Carr
Finance Director
City of Moline
1630 8th Avenue
Moline, IL 61265-2121

Demographic considerations

For this valuation, it was noted that the force continues to remain stable as to its size and demographic composition. In the current valuation, it was observed that the number of inactive participants (77, exclusive of terminated employees who are due a refund of their contributions) as compared to active participants (81) in the Fund is higher than the State average (49% of the total participants are inactive as compared to a State average of 39%) and, the average age and service of the active participating group is slightly higher than the State average. As a percentage of the total pension liabilities, the liabilities for inactive participants are well above the State average.

As of January 1, 2012, there are 10 active officers who are eligible to retire and 13 additional officers who will become eligible within the next five years.

*Financial considerations*

In these uncertain times, the fund continues to experience very limited short-term investment growth.. Furthermore, the fund continues to maintain less than adequate funded ratios. The fund has earned marginal rates of return over the short term. As shown in Exhibit 5-C of our report, the composite rate of return for the fund since 2004 is 3.34%. The investment smoothing method adopted initially by the fund and now mandated by statute serves to level the contribution and shield against annual investment volatility. However, it is not unnoticed that annual pension payments far exceeded the investment income during 2011 and an annual investment return of 11.75% would be needed to cover the outgoing benefit expenses. The Trustees should be advised that this is a potentially dangerous situation regarding the fund.

We ask that you review the section entitled "Actuarial experience since the last actuarial valuation" beginning on page 2 for a further explanation of what has occurred since the last actuarial valuation.

Please do not hesitate to contact us if you have any questions concerning our report.

Sincerely,

**TEPFER CONSULTING GROUP, LTD.***

Arthur H. Tepfer, A.S.A., M.A.A.A.
Consulting Actuary

AHT/lf
Encl.

*TCG Public Consulting, Ltd. is affiliated with Tepfer Consulting Group, Ltd.

Page

**Tepfer Consulting Group, Ltd.** was retained by the **City of Moline and the City of Moline Police Pension Fund** to perform an independent actuarial valuation for the Police Pension Fund. This valuation is permitted under 40 ILCS 5/22, Section 503.2.

The actuarial valuation was performed for the year ended December 31, 2012 and indicates a **statutorily required contribution in accordance with 40 ILCS 5/3, Section 125 of $2,334,881 or 41.91% of member payroll, a recommended minimum contribution of $2,964,364 or 53.21% of payroll, and an Annual Required Contribution in accordance with paragraph 36f of Statement No. 25 of the Governmental Accounting Standards Board of $2,998,141 or 53.82% of payroll.** These contributions are net of contributions made by active member police officers during the fiscal year.

The results shown in this report have been calculated under the supervision of a qualified Actuary as defined in appropriate State statutes. All results are based upon demographic data submitted by the Police Pension Fund, financial data submitted by the Police Pension Fund, applications of actuarial assumptions, and generally accepted actuarial methods.

In our opinion, all calculations and procedures are in conformity with generally accepted actuarial principles and practices; and the results presented comply with the requirements of the applicable State statute, Actuarial Standards Board, or Statements of Governmental Accounting Standards, as applicable.

In our opinion, the actuarial assumptions used are reasonable, taking into account the experience of the plan and future expectations, and represent a reasonable and adequate approach to the financing of the retirement program. The costs, actuarial liabilities and other information presented in this report, in our opinion, fully and fairly disclose the actuarial position of the plan.

I, Arthur H. Tepfer, am an Enrolled Actuary in good standing under the Employee Retirement Income Security Act of 1974. I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. I certify that the results presented in this report are accurate and correct to the best of my knowledge.

**TCG PUBLIC CONSULTING, LTD.**

Arthur H. Tepfer, A.S.A., M.A.A.A.
Enrolled Actuary #11-02352

July 19, 2012

## VALUATION OBJECTIVES

The **City of Moline Police Pension Fund** provides benefits to members when they retire, die, become disabled or terminate employment. For plans providing these types of benefits, an appropriate budgeting pattern must be established to enable appropriate funds to be accumulated to meet all payments when due. The actual cost of the plan can best be expressed in the following simplistic manner:

**ACTUAL COST EQUALS** Benefits Paid

Plus

Expenses Paid

Less

Investment Income Earned

If the actual cost is incurred on a "pay as you go" basis, then the future generations of members will be paying for the benefits of current plan participants. Proper financial planning calls for budgeting the actual cost of the plan over the working lifetime of current plan membership in order to establish an equitable allocation. An actuarial valuation is the procedure used to determine an appropriate amount to be contributed to the pension plan each year in order to attain this equity.

An actuarial valuation is an estimate at a particular point in time of the predicted incidence of the future benefit costs. Since the total actual cost of the plan is essentially unknown, pre-funding (budgeting for future benefit costs) requires certain assumptions about future events. Assumptions are made for such things as salary increases, terminations of participants, disablement of participants, death of participants and anticipated investment earnings. These assumptions, although not affecting the actual costs of the plan, will affect the incidence of predicted future costs. For proper funding, it is required that the Actuary select assumptions which are appropriate in light of the economic, demographic, and legislative environment as they relate to the pension program. The assumptions we have made concerning these future events are described more fully in Appendix 2 of this report. Based on these assumptions, a projection of future benefits was made and a current contribution level sufficient to provide the anticipated benefit payments was determined through the use of an actuarial cost method.

Selection of the Actuarial Cost Method

An actuarial cost method, sometimes called a "funding method", therefore, is essentially an approach to budgeting the estimated future costs. There are many actuarial cost methods which are available to the actuary and each method operates differently. However, all funding methods accomplish the same objective—to assign to each fiscal year of the employer the portion assumed to have accrued in that year. The portion of the actuarial value of benefits assigned to a particular year in respect of an individual participant or the fund as a whole is called the ***normal cost.*** All funding methods are described by how the normal cost is calculated.

The actuarial cost method prescribed by the State statutes to determine the ***statutorily minimum required contribution*** for periods on or after January 1, 2011 is the Projected Unit Credit Cost Method. Under this actuarial cost method, the ongoing cost as a percentage of total payroll will increase. In this method, the normal cost is determined by first calculating the projected dollar amount of each participant's accumulated benefit under the plan as of both the first day of the fiscal year and as of the last day of the fiscal year and then determining the difference between these two amounts. The second step in deriving the normal cost for a given participant is to multiply the dollar amount of this difference by the actuarial present value of $1 of benefit.

The actuarial cost method selected by our firm to determine the ***recommended plan contribution*** is the Entry Age Normal Cost Method. Under this actuarial cost method, ideally, the ongoing cost as a percentage of total payroll should remain fairly stable. In this method, the normal cost is determined by assuming each participant covered by the plan entered the plan under the same conditions that will apply to future plan entrants. The annual normal cost assigned to each year of an employee's career is calculated as a level percentage of the employees assumed earnings each year. These normal costs accumulate to the present value of the employee's benefit at retirement age.

**VALUATION OBJECTIVES**
**(Continued)**

Under both the Entry Age Normal Cost Method and the Projected Unit Credit Cost Method, the total funding of projected benefit costs is allocated between an ***unfunded liability***, representing past benefit history, and future normal costs. This allocation is based on the assumption that the municipality will pay the normal cost for each plan year on a regular basis. It should be noted that although the term "unfunded liability" is applied to both funding methods, the resulting amount is different because of the method of calculation. Another feature of these methods is that only the unfunded liability is affected by the experience of the plan, and therefore any adjustments are made in the future amortization payments.

In addition to the methodology changes described above, P.L. 96-1495 also addressed the valuation of pension fund assets—the second component in the determination of the unfunded liability. The statute now provides that the actuarial value of a pension fund's assets be set equal to the market value of the assets on March 30, 2011 and that, in determining the actuarial value of assets after that date, any actuarial gains or losses from investment returns incurred in a fiscal year be recognized in equal amounts over the 5-year period following that fiscal year.

The actuarial valuation process is usually repeated each year and is to a certain extent self-correcting. As part of these actuarial cost methods, any deviation of actual experience from the chosen actuarial assumptions will be reflected in future contributions. A complete description of these actuarial cost methods is explained in Appendix 4 of this report.

Despite the statutory language which requires an application of the Projected Unit Credit method, we feel that funding under this method as a *level percentage of payroll* severely undermines the benefit security of the retirement system and transfers the payment for currently earned pensions to future generations of taxpayers. For these reasons, our valuation report also presents a recommended minimum contribution that will operate to maintain the fundamental fiscal soundness of the retirement program, although a statutorily required contribution has also been calculated. The calculation of the recommended minimum contribution is based upon an amortization payment of 90% of any unfunded accrued liabilities as a *level dollar amount* over 30 years from January 1, 2011, the effective date of P.A. 96-1495. The calculation of the statutorily required contribution is based upon an amortization payment of 90% of any unfunded accrued liabilities as a *"level percentage of payroll"* over 30 years from January 1, 2011, the effective date of P.L. 96-1495.

Although, I do not agree with the statutorily required level percentage of payroll methodology of determining the amortization of the unfunded accrued liability, I would be remiss if I did not advise my funds as to a "statutorily" acceptable calculation under the State law..

Effective for periods beginning after June 15, 1996, the Governmental Accounting Standards Board has issued Statement No. 25 "Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans". This Statement establishes a financial reporting framework for defined benefit pension plans that distinguishes between two categories of information: (a) current financial information about plan assets and financial activities and (b) actuarially determined information, from a long-term perspective, about the funded status of the plan and the progress being made in accumulating sufficient assets to pay benefits when due. The calculation of the Annual Required Contribution (ARC) is described in paragraph 36f of the Statement and is based upon an amortization payment of any unfunded accrued liabilities as either a level dollar amount or a level percentage of total payroll over a maximum of 40 years from the effective date of the Statement. Any significant increase in the total unfunded actuarial liability resulting from a change in actuarial methodology should be amortized over a period not less than 10 years.

Actuarial experience since the last actuarial valuation

As part of the actuarial valuation process, it is helpful to examine the actual experience of the fund as compared to the experience that is expected by the actuarial assumptions. The measurement of any deviations of actual to expected experience is commonly referred to as a "Gain and Loss Analysis". In performing this analysis, the actuary analyzes each actuarial assumption used in the valuation process. It is highly unlikely that actual experience will follow expected experience on a year-by-year basis. It is hoped that over the long term, if the actuarial assumptions are "reasonable", the total gains and losses will offset each other.

A "gain and loss analysis" is a useful tool to examine whether the actuarial assumptions used to determine the municipal tax levy are suitable. Care must be taken in placing too much credibility in a short-term analysis as the assumptions are more appropriately measured over the long term. Nonetheless, an annual evaluation of the actuarial assumptions will assist in identifying trends that, if unnoticed, can lead to inappropriate conclusions. When these trends are recognized, it is the actuary's responsibility to modify one or more of the assumptions to better anticipate future experience.

**VALUATION OBJECTIVES**
**(Continued)**

Some assumptions are easier to measure than others. In small plans, credible analysis can generally be made regarding the economic (financial) assumptions. These primarily include investment and salary increase assumptions. Unfortunately, it is often impossible to establish credible long term analysis of demographic assumptions (rates of termination, disability, retirement and mortality). Therefore, in choosing demographic assumptions, the actuary generally relies upon standardized tabular assumptions modified only by fund-specific characteristics.

The actuarial gain and loss analysis for the current year is presented in Exhibit 3-C and 3-D of the report. Exhibit 3-C shows the impact of the actuarial gains or losses on the recommended minimum contribution through a reconciliation of this contribution from the end of the prior valuation year to the end of the current valuation year. Exhibit 3-D derives the actuarial gain or loss in total as well as separating the individual financial and demographic components.

The overall experience gain (loss) for the year was $ (2,136,257) or 3.33% of the accrued liability at the beginning of the plan year. The dollar amount for the plan's recommended minimum contribution is 96.34% of the prior year's contribution. When measured as a percentage of payroll the contribution level has changed from 54.88% to 53.21%.

<u>Thirty-year Projection of Liabilities</u>

The final section of our report illustrates projected payments from the Trust Fund for a 30-year period commencing with the valuation date. These projections are based upon the actuarial assumptions selected for the fund concerning death, disability and retirement actually occurring. Care should be taken in interpreting or relying on these results-- particularly for Funds with fewer than 200 participants. The credibility of this type of projection is rarely realized beyond 10 years. Exhibit 5D presents this projection.

## RESULTS OF VALUATION

The following exhibits present the results of our actuarial valuation of the **City of Moline Police Pension Fund** for the fiscal year January 1, 2012 through December 31, 2012.

Exhibit 1 indicates that the recommended minimum contribution, calculated using the Entry Age Normal Cost method (EANC), from the City is $2,964,364 or 53.21% of total participating payroll. **Under the Entry Age Normal actuarial cost method selected, this percentage of payroll should remain reasonably level over the lifetime of the plan.**

Exhibit 1 also indicates that the statutory minimum contribution, calculated using the Projected Unit Credit method (PUC), from the City is $2,334,881 or 41.91% of total participating payroll. **Under the Projected Unit Credit actuarial cost method selected, this percentage of payroll should increase over the lifetime of the plan.**

Exhibits 2 and 3 provide specific information used to develop the recommended minimum and statutorily required City contribution and GASB Annual Required Contribution (ARC).. The Annual Required Contribution as of January 1, 2012 has been determined under the Governmental Accounting Standards Board Statement No. 25 and is required disclosure for the fiscal year ending December 31, 2012. The Entry Age Normal Cost and the Actuarial Accrued Liability were determined using the Entry Age Normal Cost Actuarial Cost Method.

The Entry Age Normal Cost has been determined as a level percentage of projected payroll of the active members of the group. The amortization method for the Unfunded Actuarial Accrued Liability is determined as a level percentage of payroll amount over a closed Amortization Period as permitted in Governmental Accounting Standards Board Statement No. 25.

Contribution amounts presented in this report have not been adjusted for interest to the date of payment. All values were determined on the basis of the actuarial assumptions and methods as more fully described in Appendix1 of this report.

Exhibit 4 presents a brief description of the demographic characteristics of the current member group.

Exhibit 5 shows information relating to the pension assets.

**GENERAL VALUATION RESULTS FOR FISCAL YEAR**
**JANUARY 1, 2012 THROUGH DECEMBER 31, 2012**

Recommended Minimum Contribution

| | | |
|---|---|---|
| 1. | Entry Age Normal Cost: | $ 1,170,726 |
| 2. | Unfunded Actuarial Accrued Liability (or Surplus): | 32,579,825 |
| 3. | Actuarial Value of Assets: | 31,613,555 |
| 4. | Annual Salaries of Active Police Officers: | 5,356,751 |
| 5. | Recommended Minimum Contribution from the City: | 2,964,364 |
| | Contribution Percentage: | 53.21%* |

Statutory Minimum Contribution

| | | |
|---|---|---|
| 1. | Projected Unit Credit Normal Cost: | $ 1,448,535 |
| 2. | Unfunded Actuarial Accrued Liability (or Surplus): | 29,146,252 |
| 3. | Actuarial Value of Assets: | 31,613,555 |
| 4. | Annual Salaries of Active Police Officers: | 5,356,751 |
| 5. | Statutory Minimum Contribution from the City: | 2,334,881 |
| | Contribution Percentage: | 41.91%* |

* Projected for the fiscal year ending December 31, 2012.

**SUMMARY OF SPECIFIC VALUATION RESULTS**

| | | Number | Actuarial Present Value of Projected Benefits | Entry Age Normal Cost | Projected Unit Credit Normal Cost |
|---|---|---|---|---|---|
| 1. | Active Police Officers: | 81 | | | |
| | Retirement Pension: | | $28,899,410 | $807,429 | $1,184,607 |
| | Survivors Pension: | | 918,823 | 50,041 | 43,117 |
| | Disability Pension: | | 3,292,705 | 226,621 | 168,471 |
| | Withdrawal Pension: | | 881,958 | 86,635 | 52,340 |
| | TOTAL . . . . . . . | 81 | $33,992,896 | $1,170,726 | $1,448,535 |
| 2. | Inactive Police Officers and Survivors: | | | | |
| | Normal Retirees: | 58 | $35,062,775 | | |
| | Alternate Payees: | 0 | 0 | | |
| | Widows (Survivors): | 12 | 2,146,103 | | |
| | Children (Survivors): | 0 | 0 | | |
| | Disabled Retirees: | 5 | 2,186,512 | | |
| | Deferred Vested: | 2 | 305,002 | | |
| | Terminated/Separated: | 2 | 59,021 | | |
| TOTAL . . . . . . . | | 79 | $39,759,413 | | |

## SUMMARY OF SPECIFIC VALUATION RESULTS
## (Continued)

| | | Entry Age Normal (EAN) | Projected Unit Credit (PUC) |
|---|---|---|---|
| 3. | Total Actuarial Present Value of Projected Benefits: | $73,752,309 | N/A |
| 4. | Actuarial Present Value of Future Normal Costs: | 9,558,929 | N/A |
| 5. | Actuarial Accrued Liability: [(3) - (4)] | 64,193,380 | 60,759,807 |
| 6. | Actuarial Value of Assets: | 31,613,555 | 31,613,555 |
| 7. | Unfunded Actuarial Accrued Liability (or Surplus) [(5) - (6)] | 32,579,825 | 29,146,252 |
| 8. | Funded Ratio Percentage: [(6) ÷ (5)] x 100 | 49.25% | 52.03% |

## HISTORY OF FUNDED PERCENTAGES

| For the Year beginning January 1 | Valuation Assets | EAN Accrued Liabilities | EAN Funded Percentage | PUC Accrued Liabilities | PUC Funded Percentage |
|---|---|---|---|---|---|
| 2012 | $31,613,555 | $64,193,380 | 49.25% | $60,759,807 | 52.03% |
| 2011 | 30,638,486 | 61,190,730 | 49.93 | 57,859,699 | 52.80 |

## DEVELOPMENT OF RECOMMENDED MINIMUM CITY CONTRIBUTION

| | | Fiscal Year January 1, 2012 through December 31, 2012 |
|---|---|---|
| 1. | Entry Age Normal Cost: | $1,170,726 |
| 2. | Recommended Minimum Payment to Amortize 90 % of the Entry Age Normal Unfunded Accrued Liability as a level dollar amount over 28.99932 Years from January 1, 2012: | 2,080,640 |
| 3. | Interest on (1) and (2): | 243,852 |
| 4. | Credit for Surplus: | 0 |
| 5. | Total Recommended Minimum Contribution for Fiscal Year 2012: [(1) + (2) + (3) + (4)] | 3,495,218 |
| 6. | Active Member Contributions (9.91% of Salaries): | 530,854 |
| 7. | Net Recommended Minimum City Contribution: [(5) - (6)] | 2,964,364 |

## DEVELOPMENT OF STATUTORILY REQUIRED CITY CONTRIBUTION

*(NOTE THAT THIS CONTRIBUTION CALCULATION IS NOT RECOMMENDED)*

| | | Fiscal Year January 1, 2012 through December 31, 2012 |
|---|---|---|
| 1. | Projected Unit Credit Normal Cost: | $1,448,535 |
| 2. | Minimum Payment to Amortize 90% of the Projected Unit Credit Unfunded Accrued Liability as a level percentage of payroll over 28.99932 Years from January 1, 2012: | 1,217,265 |
| 3. | Interest on (1) and (2): | 199,935 |
| 4. | Credit for Surplus: | 0 |
| 5. | Total Statutorily Required Contribution for Fiscal Year 2012: [(1) + (2) + (3) + (4)] | 2,865,735 |
| 6. | Active Member Contributions (9.91% of Salaries): | 530,854 |
| 7. | Net Statutorily Required City Contribution: [(5) - (6)] | 2,334,881 |

## GASB STATEMENT NO. 25 DISCLOSURE INFORMATION

## DEVELOPMENT OF THE ANNUAL REQUIRED CONTRIBUTION OF THE MUNICIPALITY

| | | Fiscal Year January 1, 2012 through December 31, 2012 |
|---|---|---|
| 1. | Entry Age Normal Cost | $1,170,726 |
| 2. | Actuarial Accrued Liability | 64,193,380 |
| 3. | Actuarial Value of Assets | 28,536,726 |
| 4. | Unfunded Actuarial Accrued Liability | 35,656,654 |
| 5. | Payment to Amortize Unfunded Actuarial Accrued Liability Over 40 Years from Effective Date of Application of GASB 25 (21 years remaining) | 2,358,269 |
| 6. | Total Annual Required Contribution for Fiscal Year December 31, 2012: [(1) + (5)] | 3,528,995 |
| 7. | Active Member Contributions (9.91% of Salaries): | 530,854 |
| 8. | Annual Required Contribution (ARC) payable at the beginning of the current fiscal year: [(6) - (7)] | 2,998,141 |

## RECONCILIATION OF THE CHANGE IN THE RECOMMENDED MINIMUM CITY CONTRIBUTION

| | | |
|---|---|---|
| 1. | Recommended Minimum Contribution for Year ending 12/31/2011: | $3,076,829 |
| 2. | Increase in Normal Cost and Amortization Payment due to anticipated pay changes: | 115,508 |
| 3. | Increase/(Decrease) in Normal Cost resulting from actual pay changes: | ( 60,663) |
| 4. | Effect of Asset Smoothing: | 2,922 |
| 5. | Increase/(Decrease) resulting from changes in assumptions: | 0 |
| 6. | Increase/(Decrease) resulting from other demographic and financial sources (retirements, deaths, new entrants, salary changes, etc.): | (799,715) |
| 7. | Recommended Minimum Contribution for Year ending December 31, 2012: | $2,964,364 |

**DERIVATION OF EXPERIENCE GAIN(LOSS) AND COST METHOD CHANGE**
**AS OF JANUARY 1, 2012**

| | | |
|---|---|---|
| 1. | EANC Unfunded Actuarial Accrued Liability at 1/1/2011: | $30,638,486 |
| 2. | Entry Age Normal Cost Due at 1/1/2011: | 1,188,449 |
| 3. | Interest on (1) and (2) to January 1, 2012 (at 7.50% per year): | 2,387,020 |
| 4. | Contributions made for the prior year with interest to January 1, 2012: | 3,770,387 |
| 5. | Expected EANC Unfunded Actuarial Accrued Liability at January 1, 2012 Before Assumption Changes [(1) + (2) + (3) - (4)]: | 30,443,568 |
| 6. | Change in EANC Unfunded Actuarial Accrued Liability due to Assumptions Change at January 1, 2012: | 0 |
| 7. | Expected EANC Unfunded Actuarial Accrued Liability at January 1, 2012 [(5) + (6)]: | 30,443,568 |
| 8. | Actual EANC Unfunded Actuarial Accrued Liability at January 1, 2012: | 32,579,825 |
| 9. | Gain (Loss) for the prior Plan Year [(7) – (8)]: | $ (2,136,257) |

The experience gain (loss) reported above is the net result of the following:

| | | |
|---|---|---|
| 1. | FINANCIAL SOURCES | |
| a) | Investment experience (based upon market value of assets): | $ (1,459,829) |
| b) | Contribution experience: | 13,088 |
| c) | Benefit Payments experience: | ( 17,783) |
| d) | Salary increases (greater)/lower than expected: | 249,760 |
| | Total from Financial Sources: | (1,214,764) |
| 2. | DEMOGRAPHIC SOURCES | |
| | Mortality, retirement, disability, termination, etc.: | (843,293) |
| 3. | ACTUARIAL ADJUSTMENTS | |
| | Market value adjustment for asset smoothing, including expenses | ( 78,200) |
| 4. | GAIN (LOSS) ALL SOURCES | |
| | Total Gain (Loss) for the prior Plan Year [(1) + (2) + (3)] | $ (2,136,257) |

### SUMMARY OF DEMOGRAPHIC INFORMATION AS OF JANUARY 1, 2012

| | Number | Projected Annual Salaries (Fiscal Year 2012) |
|---|---|---|
| Active Police Officers: | 81 | $5,356,751 |

| | Number | Total Monthly Benefits |
|---|---|---|
| Normal Retirees: | 58 | $233,443 |
| Survivors (Widows): | 12 | 24,139 |
| Survivors (Children): | 0 | 0 |
| Disabled Retirees: | 5 | 10,791 |
| Deferred Vested: | 2 | 0 |
| Terminated/Separated: | 2 | 59,021 * |

* Return of Contributions

The actuarial valuation was performed as of January 1, 2012 to determine contribution requirements for fiscal year 2012.

## AGE AND SERVICE DISTRIBUTION

| Attained Age | COMPLETED YEARS OF SERVICE | | | | | | | | | | | Average Salaries |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 0-1 | 2-4 | 5-9 | 10-14 | 15-19 | 20-24 | 25-29 | 30-34 | 35-39 | 40+ | Total | |
| 15-19 | | | | | | | | | | | 0 | - |
| 20-24 | 2 | 1 | | | | | | | | | 3 | 46,074 |
| 25-29 | | 12 | 1 | | | | | | | | 13 | 48,842 |
| 30-34 | | 4 | 4 | 2 | | | | | | | 10 | 50,628 |
| 35-39 | | 2 | 2 | 4 | | | | | | | 8 | 61,748 |
| 40-44 | | | 4 | 8 | 5 | 1 | | | | | 18 | 72,175 |
| 45-49 | | | | 4 | 5 | 2 | 1 | | | | 12 | 79,226 |
| 50-54 | | | | 2 | 4 | 4 | 1 | | | | 11 | 71,728 |
| 55-59 | | | | | 1 | | 4 | 1 | | | 6 | 90,736 |
| 60-64 | | | | | | | | | | | 0 | - |
| 65+ | | | | | | | | | | | 0 | - |
| TOTAL | 2 | 19 | 11 | 20 | 15 | 7 | 6 | 1 | 0 | 0 | 81 | 66,133 |

Age = 40.17 Years

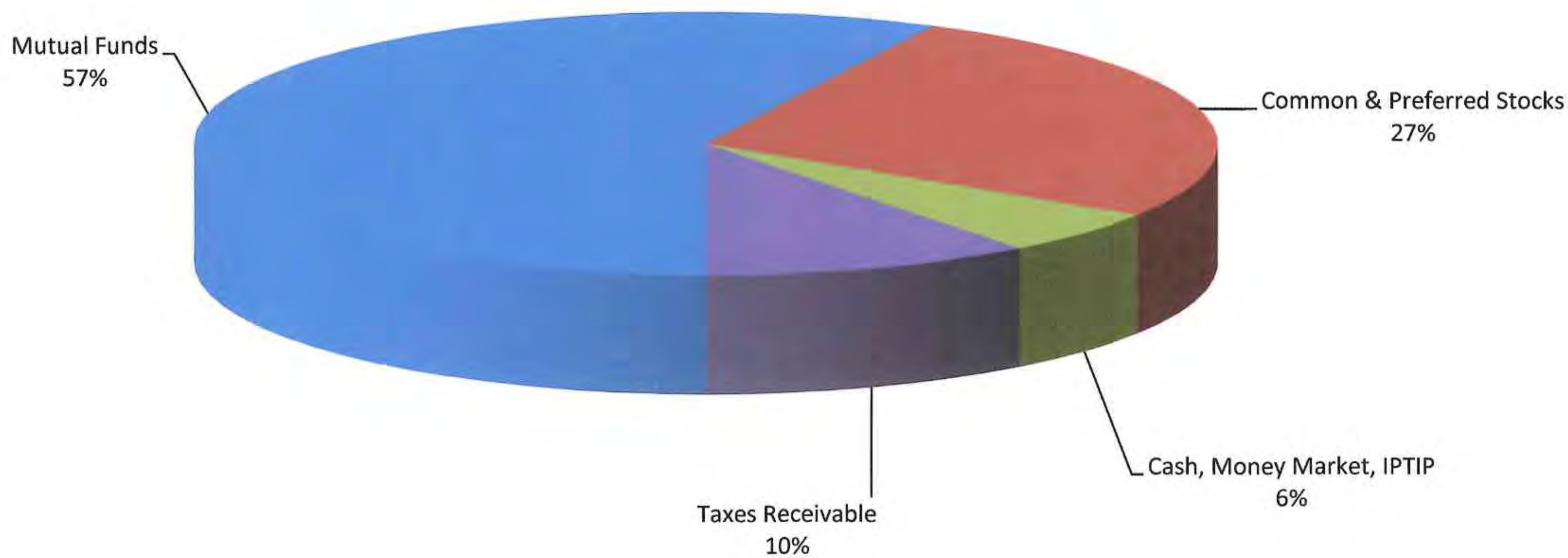
Service = 12.82 Years

**ASSET INFORMATION**

| | |
|---|---|
| Cash, Money Market, IPTIP | $1,612,463 |
| Certificates of Deposit | 0 |
| State and Local Obligations | 0 |
| U.S. Government Obligations | 0 |
| Insurance Company Contracts | 0 |
| Pooled Investment Accounts | 0 |
| Mutual Funds | 16,874,791 |
| Common & Preferred Stocks | 7,867,858 |
| Taxes Receivable | 3,076,829 |
| Accrued Interest | 13 |
| Other Receivables | 0 |
| Net Liabilities | 0 |
| Net Present Assets at Market Value | $29,431,954 |

The chart on the following page shows the percentage of invested assets.

## ASSET INFORMATION



### DEVELOPMENT OF ACTUARIAL VALUE OF ASSETS

1. Market Value of Assets, January 1, 2011 — 28,448,843

2. Actual Income and Disbursements in prior year weighted for timing

| Item | Amount | Weight for Timing | Weighted Amount |
|---|---|---|---|
| Contributions Received During 2011 | 3,645,087 | 50.00% | 1,822,544 |
| Miscellaneous Revenue | 1 | 50.00% | 1 |
| Benefit Payments and Expenses Made During 2011 | 3,346,990 | (50.00)% | (1,673,495) |
| Total | | | 149,049 |

| | | |
|---|---|---|
| 3. | Market Value of assets adjusted for actual income disbursements [(1) + 2(d)] | 28,597,892 |
| 4. | Assumed rate of return on plan assets for the year | 7.50% |
| 5. | Expected return on assets [(3) x (4)] | 2,144,842 |
| 6. | Market Value of Assets, January 1, 2011 | 28,448,843 |
| 7. | Income (less investment income) for prior year | 3,645,087 |
| 8. | Disbursements paid in prior year | 3,346,990 |
| 9. | Market Value of Assets, January 1, 2012 | $29,431,954 |
| 10. | Actual Return [(9) + (8) – (7) – (6)] | 685,013 |
| 11. | Investment Gain/(Loss) for Prior Year [(10) – (5)] | (1,459,829) |

## DEVELOPMENT OF ACTUARIAL VALUE OF ASSETS
## (Continued)

12. Market Value of Assets, January 1, 2012: $29,431,954

13. Deferred investment gains and (losses) for last 4 years:

| | Plan Year Beginning | Gain/(Loss) | Percent Deferred | Deferred Amount |
|---|---|---|---|---|
| a) | 2012** | $ (1,459,829) | 80% | $ (1,167,863) |
| b) | 2011 | $ 581,084 | 60% | $ 348,650 |
| c) | 2010 | $ ( 702,137) | 40% | $ ( 280,855) |
| d) | 2009 | $ (5,407,665) | 20% | $ (1,081,533) |
| e) | Total | $ (6,988,547) | | $ (2,181,601) |

14. Actuarial value of plan assets for funding,, January 1, 2012: Item (12) less item 13(e): 31,613,555

15. Taxes receivable: 3,076,829

16. Actuarial value of plan assets for GASB reporting January 1, 2012 item (14) less item (15)*: 28,536,726

Notes: * excluding taxes receivable

* *The calculated value is determined by adjusting the market value of assets to reflect investment gains and losses (the difference between the actual investment return and the expected investment return) during each of the last five years at the rate of 20% per year. For the actuarial value of plan assets as of March 31, 2011, the actuarial value of assets was set to the market value of assets.

**ANALYSIS OF INVESTMENT RETURN**

| Fiscal Year Ending December 31 | Annual Rate of Return |
|---|---|
| 2011 | 2.40% |
| 2010 | 9.23 |
| 2009 | 4.30 |
| 2008 | -11.54 |
| 2007 | 7.46 |
| 2006 | 7.30 |
| 2005 | 4.55 |
| Composite | |
| 2005-2011 | 3.34% |

## THIRTY - YEAR PROJECTION OF PAYMENTS

| | Payouts from Active Group Upon | | | | | Payouts from | | Total |
|---|---|---|---|---|---|---|---|---|
| | Termination | | Death | Retirement | Disability | Retired Group | Deferred Pensioners | |
| Year | Lump Sum | Deferred Pension | | | | | | |
| **2012** | 16,439 | 0 | 18,016 | 129,784 | 22,322 | 3,220,609 | 59,021 | 3,466,191 |
| **2013** | 13,532 | 0 | 25,977 | 259,842 | 44,479 | 3,197,409 | 0 | 3,541,239 |
| **2014** | 13,825 | 0 | 25,984 | 427,431 | 66,871 | 3,168,315 | 0 | 3,702,426 |
| **2015** | 8,638 | 0 | 33,552 | 583,010 | 88,242 | 3,139,775 | 0 | 3,853,217 |
| **2016** | 6,753 | 0 | 40,495 | 739,046 | 109,848 | 3,107,458 | 0 | 4,003,600 |
| **2017** | 1,933 | 0 | 47,278 | 937,467 | 131,092 | 3,072,661 | 0 | 4,190,431 |
| **2018** | 0 | 0 | 54,128 | 1,145,031 | 151,208 | 3,051,625 | 0 | 4,401,992 |
| **2019** | 0 | 0 | 59,457 | 1,368,721 | 170,986 | 3,024,957 | 24,912 | 4,649,033 |
| **2020** | 0 | 0 | 66,272 | 1,597,416 | 190,932 | 2,981,224 | 25,424 | 4,861,268 |
| **2021** | 0 | 0 | 70,887 | 1,816,607 | 209,541 | 2,933,513 | 25,915 | 5,056,463 |
| **2022** | 0 | 0 | 77,354 | 2,003,093 | 227,986 | 2,881,391 | 26,381 | 5,216,205 |
| **2023** | 0 | 0 | 81,651 | 2,169,599 | 245,566 | 2,824,430 | 26,814 | 5,348,060 |
| **2024** | 0 | 0 | 87,209 | 2,355,503 | 262,093 | 2,775,636 | 27,211 | 5,507,652 |
| **2025** | 0 | 0 | 90,698 | 2,509,558 | 277,702 | 2,723,261 | 45,136 | 5,646,355 |
| **2026** | 0 | 0 | 95,408 | 2,664,301 | 293,160 | 2,649,785 | 45,799 | 5,748,453 |
| **2027** | 0 | 0 | 98,103 | 2,830,510 | 308,665 | 2,569,010 | 46,395 | 5,852,683 |
| **2028** | 0 | 0 | 102,039 | 3,009,333 | 327,174 | 2,480,572 | 46,913 | 5,966,031 |
| **2029** | 0 | 0 | 104,175 | 3,179,559 | 343,581 | 2,384,044 | 47,341 | 6,058,700 |
| **2030** | 0 | 0 | 107,435 | 3,301,350 | 360,317 | 2,279,284 | 47,662 | 6,096,048 |
| **2031** | 0 | 0 | 108,686 | 3,414,147 | 378,155 | 2,166,398 | 47,875 | 6,115,261 |
| **2032** | 0 | 0 | 110,979 | 3,534,515 | 393,680 | 2,045,925 | 47,943 | 6,133,042 |
| **2033** | 0 | 0 | 111,236 | 3,664,541 | 405,250 | 1,937,533 | 47,860 | 6,166,420 |
| **2034** | 0 | 0 | 112,788 | 3,819,538 | 418,172 | 1,805,263 | 47,611 | 6,203,372 |
| **2035** | 0 | 0 | 112,119 | 3,920,646 | 426,179 | 1,668,903 | 47,181 | 6,175,028 |
| **2036** | 0 | 0 | 112,946 | 4,024,775 | 435,127 | 1,530,252 | 46,550 | 6,149,650 |
| **2037** | 0 | 0 | 111,571 | 4,110,012 | 448,008 | 1,391,149 | 45,712 | 6,106,452 |
| **2038** | 0 | 0 | 111,351 | 4,184,794 | 458,079 | 1,253,462 | 44,657 | 6,052,343 |
| **2039** | 0 | 0 | 108,511 | 4,229,340 | 464,433 | 1,119,195 | 43,373 | 5,964,852 |
| **2040** | 0 | 0 | 107,378 | 4,244,066 | 464,497 | 990,010 | 41,855 | 5,847,806 |
| **2041** | 0 | 0 | 104,221 | 4,241,769 | 464,400 | 867,474 | 40,087 | 5,717,951 |

## ACTUARIAL ASSUMPTIONS

### (Economic)

***Investment Return***
7.50% per annum, compounded annually (net of expenses).

***Salary Increases***
Representative values of assumed salary increases are as follows:

| Age | Increase % |
|---|---|
| 25 | 4.8611 |
| 30 | 2.9848 |
| 35 | 2.0341 |
| 40 | 1.5239 |
| 45 | 1.3083 |
| 50 | 1.1846 |
| 55 | 1.1220 |

An additional inflation allowance of 2.00% per year is added to the above.

***Payroll Growth***
It was assumed that payroll will grow 4.00% per year.

***Actuarial Asset Basis***
The Pension Fund previously used an actuarial value of assets for both government accounting and funding purposes. Starting with the actuarial valuation as of January 1, 2012, the actuarial value of assets recognizes future gains and losses based on a 5-year smoothed market method as prescribed by Statute.

In a 5-year smoothed market method, the current market value of assets is reduced (increased) for the current year and each of three succeeding years, by a portion of the gain/(loss) in market value during the prior year. Such gain/(loss) is determined as the excess/(deficit) of the current market value of assets over the market value of assets as of the prior year, increased to reflect interest at the actuarial rate and adjusted to reflect contributions and benefit payments during the prior year. The portion of such gain/(loss) by which the current market value of assets is reduced (increased) shall be 80% in the current year, 60% in the first succeeding year. 40% in the second succeeding year and 20% in the third succeeding year.

Additionally, in accordance with government accounting standards, the actuarial value of assets is adjusted to remove any contributions receivable on the reporting date.

***Expenses***
None assumed.

**(Demographic)**

***Mortality***
Active Lives
RP-2000 Combined Healthy Mortality Table (male) with blue collar adjustment and with a 200% load for participants under age 50 and 125% for participants age 50 and over. Five percent (5%) of deaths amongst active police officers are assumed to be in the performance of their duty.

Non-Active Lives
RP-2000 Combined Healthy Mortality Table (male) with blue collar adjustment and with a 200% load for participants under age 50 and 125% for participants age 50 and over.

***Termination***
Illustrative rates of withdrawal from the plan for reasons other than death or disability are as follows:

| Age | Rate of Withdrawal |
|---|---|
| 25 | .0734 |
| 30 | .0416 |
| 35 | .0223 |
| 40 | .0119 |
| 45 | .0102 |

It is assumed that terminated police officers will not be rehired.

***Disability Rates***
Incidence of disability amongst police officers eligible for disability benefits:

| Age | Rate |
|---|---|
| 25 | .0013 |
| 30 | .0026 |
| 35 | .0044 |
| 40 | .0071 |
| 45 | .0108 |
| 50 | .0159 |

15% of disabilities amongst active police officers are assumed to be in the performance of their duty.

***Retirement Rates***
Retirements are assumed to occur between the ages of 50 and 69 in accordance with the following table:

| Age | Rate of Retirement | Age | Rate of Retirement |
|---|---|---|---|
| 50 | .36 | 60 | .22 |
| 51 | .22 | 61 | .30 |
| 52 | .18 | 62 | .39 |
| 53 | .19 | 63 | .48 |
| 54 | .19 | 64 | .57 |
| 55 | .20 | 65 | .65 |
| 56 | .20 | 66 | .74 |
| 57 | .20 | 67 | .83 |
| 58 | .21 | 68 | .91 |
| 59 | .21 | 69 | 1.00 |

**(Additional)**

***Marital Status***
85% of police officers are assumed to be married.

***Spouse's Age***
Wives are assumed to be 3 years younger than their husbands.

***Actuarial Cost Method:***
Projected Unit Credit for statutory minimum
Entry Age Normal for recommended and GASB reporting

## SUMMARY OF PRINCIPAL PLAN PROVISIONS

***Definitions***

**Tier 1 – For Police Officers first entering Article 3 prior to January 1, 2011**

**Tier 2 – For Police Officers first entering Article 3 after December 31, 2010**

Police Officer (3-106): Any person appointed to the police force and sworn and commissioned to perform police duties.

Persons excluded from Fund (3-109): Part-time officers, special police officer, night watchmen, traffic guards, clerks and civilian employees of the department. Also, police officers who fail to pay the required fund contributions or who elect the Self-Managed Plan option.

Creditable Service (3-110): Time served by a police officer, excluding furloughs in excess of 30 days, but including leaves of absences for illness or accident and periods of disability where no disability pension payments have been received and also including up to 3 years during which disability payments have been received provided contributions are made.

***Pension (3-111)***

***Normal Pension Age***
**Tier 1** - Age 50 with 20 or more years of creditable service.

**Tier 2** - Age 55 with 10 or more years of creditable service.

***Normal Pension Amount***
**Tier 1** - 50% of the greater of the annual salary held in the year preceding retirement or the annual salary held on the last day of service, plus 2½% of such annual salary for service from 20 to 30 year (maximum 25%)].

**Tier 2** - 2½% of Final Average salary for each year of service. Final Average Salary is the highest salary based on the highest consecutive 96 months of the final 120 months of service

Early Retirement at age 50 with 10 or more years of service but with a penalty of ½% for each month prior to age 55.

Annual Salary capped at $106,800 increased yearly by the lesser of ½ of the Consumer Price Index- Urban (CPI-U) or 3%.

Minimum Monthly Benefit: $1,000

Maximum Benefit Percentage: 75% of salary

***Termination Retirement Pension Date***
Separation of service after completion of between 8 and 20 years of creditable service.

***Termination Pension Amount***
Commencing at age 60, 2½% of annual salary held in the year preceding termination times years of creditable service or refund of contributions, or for persons terminating on or after July 1, 1987, 2½% of annual salary held on the last day of service times years of credible service, whichever is greater.

***Pension Increase***

***Non-Disabled***
**Tier 1** - 3% increase of the original pension amount after attainment of age 55 for each year elapsed since retirement, followed by an additional 3% of the original pension amount on each January thereafter. Effective July 1, 1993, 3% of the amount of pension payable at the time of the increase including increases previously granted, rather than 3% of the originally granted pension amount.

**SUMMARY OF PRINCIPAL PLAN PROVISIONS**
**(Continued)**

**ier 2** - The lesser of ½ of the Consumer Price Index- Urban (CPI-U) or 3% increase of the original pension amount after attainment of age 60, followed by an additional 3% of the original pension amount on each January 1 thereafter.

***Disabled***
3% increase of the original pension amount after attainment of age 60 for each year he or she received pension payments, followed by an additional 3% of the original pension amount in each January 1 thereafter.

***Pension to Survivors (3-112)***

***Death of Retired Member***
**Tier 1** - 100% of pension amount to surviving spouse (or dependent children).

**Tier 2** – 66 2/3% of pension amount to surviving spouse (or dependent children), subject to the following increase: the lesser of ½ of the Consumer Price Index- Urban (CPI-U) or 3%.increase of the original pension amount after attainment of age 60, followed by an additional 3% of the original pension amount on each January 1 thereafter.

***Death While in Service (Not in line of duty)***
With 20 years of creditable service, the pension amount earned as of the date of death.

With between 10 and 20 years of creditable service, 50% of the salary attached to the rank for the year prior to the date of death.

***Death in Line of Duty***
100% of the salary attached to the rank for the last day of service year prior to date of death.

***Minimum Survivor Pension***
$1,000 per month to all surviving spouses.

***Disability Pension - Line of Duty (3-114.1)***

***Eligibility***
Suspension or retirement from police service due to sickness, accident or injury while on duty.

***Pension***
Greater of 65% of salary attached to rank at date of suspension or retirement and the retirement pension available. Minimum $1,000 per month.

***Disability Pension - Not on Duty (3-114.2)***

***Eligibility***
Suspension or retirement from police service for any cause other than while on duty.

***Pension***
50% of salary attached to rank at date of suspension or retirement. Minimum $1,000 per month.

***Other Provisions***

***Marriage After Retirement (3-120)***
No surviving spouse benefit available.

***Refund (3-124)***
At death prior to completion of 10 years of service, contributions are returned without interest to widow.

At termination with less than 20 years of service, contributions are refunded upon request.

***Contributions by Police Officers (3-125.1)***
Beginning January 1, 2001, 9.91% of salary including longevity, but excluding overtime pay, holiday pay, bonus pay, merit pay or other cash benefit.

## GLOSSARY

***Actuarial Accrued Liability***
See ***Entry Age Normal Cost*** *Method and* ***Projected Unit Credit Cost*** *Method.*

***Actuarial Assumptions***
The economic and demographic predictions used to estimate the present value of the plan's future obligations. They include estimates of investment earnings, salary increases, mortality, withdrawal and other related items. The *Actuarial Assumptions* are used in connection with the *Actuarial Cost Method* to allocate plan costs over the working lifetimes of plan participants.

***Actuarial Cost Method***
The method used to allocate the projected obligations of the plan over the working lifetimes of the plan participants. Also referred to as an *Actuarial Funding Method.*

***Actuarial Funding Method***
See *Actuarial Cost Method*

***Actuarial Gain (Loss)***
The excess of the actual *Unfunded Actuarial Accrued Liability* over the expected *Unfunded Actuarial Accrued Liability* represents an *Actuarial Loss.* If the expected *Unfunded Actuarial Accrued Liability* is greater, an *Actuarial Gain* has occurred.

***Actuarial Present Value***
The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of *Actuarial Assumptions*.

***Actuarial Value of Assets***
The asset value derived by using the plan's *Asset Valuation Method.*

***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.

***Employee Retirement Income Security Act of 1974 (ERISA)***
The primary federal legislative act establishing funding, participation, vesting, benefit accrual, reporting, and disclosure standards for pension and welfare plans.

***Entry Age Normal Cost Method***
One of the standard actuarial funding methods in which the *Present Value of Projected Plan Benefits* of each individual included in the *Actuarial Valuation* is allocated on a level basis over the earnings of the individual between entry age and assumed exit age(s). The portion of this *Actuarial Present Value* allocated to a valuation year is called the *Normal Cost*. The portion of this *Actuarial Present Value* not provided for at a valuation date by the *Actuarial Present Value* of future *Normal Costs* is called the *Actuarial Accrued Liability.*

***Normal Cost***
The portion of the *Present Value of Projected Plan Benefits* that is allocated to a particular plan year by the *Actuarial Cost Method.* See *Entry Age Normal Cost Method* for a description of the Normal Cost under the *Entry Age Normal Cost Method.* See *Projected Unit Credit Cost Method* for a description of the Normal Cost under the *Projected Unit Credit Cost Method.*

***Present Value of Future Normal Costs***
The present value of future normal costs determined based on the *Actuarial Cost Method* for the plan. Under the *Entry Age Normal Cost Method*, this amount is equal to the excess of the *Present Value of Projected Plan Benefits* over the sum of the *Actuarial Value of Assets* and *Unfunded Actuarial Accrued Liability.*

***Present Value of Projected Plan Benefits***
The present value of future plan benefits reflecting projected credited service and salaries. The present value is determined based on the plan's actuarial assumptions.

**GLOSSARY**
**(Continued)**

***Projected Unit Credit Cost Method***
One of the standard actuarial funding methods in which the *Present Value of Projected Plan Benefits* of each individual included in the *Actuarial Valuation* is allocated by a consistent formula to valuation years. The *Actuarial Present Value* allocated to a valuation year is called the *Normal Cost*. The *Actuarial Present Value* of benefits allocated to all periods prior to a valuation year is called the *Actuarial Accrued Liability*.

***Statement No. 25 of the Governmental Accounting Standards Board (GASB No. 25)***
The accounting statement that established the standards of financial accounting and reporting for the financial statements of defined benefit pension plans.

***Unfunded Actuarial Accrued Liability***
The excess of the *Actuarial Accrued Liability* over the *Actuarial Value of Assets*.

Council Bill/Resolution No.: 1223-2012
Sponsor: ________________

A RESOLUTION

AUTHORIZING the Mayor and City Clerk to apply for a highway permit and execute the necessary forms for the proposed Moline Dad's Club Halloween Parade, scheduled for Sunday, October 21, 2012.

WHEREAS, Moline Dad's Club is sponsoring a Parade in the City of Moline which constitutes a public purpose; and

WHEREAS, this event will require the temporary closure of Avenue of the Cities from 36th Street to 16th Street; and

WHEREAS, Section 4-408 of the Illinois Highway Code authorizes the Department of Transportation to issue permits to local authorities to temporarily close portions of State Highways for such public purposes.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MOLINE, ILLINOIS, as follows:

That permission to interrupt traffic flow on 19th Street adjacent to the Avenue of the Cities exits off of I-74 be requested of the Illinois Department of Transportation.

BE IT FURTHER RESOLVED that this closure shall occur during the approximate time period between 1:30 p.m. and 3:00 p.m. on October 21, 2012.

BE IT FURTHER RESOLVED that this closure is for the public purpose of a Moline Dad's Club Halloween Parade along Avenue of the Cities.

BE IT FURTHER RESOLVED that sections of 19th Street adjacent to the I-74 exit ramps at the Avenue of the Cities be intermittently interrupted.

BE IT FURTHER RESOLVED that the City assumes full responsibility for the direction, protection and regulation of the traffic during the time 19th Street is closed.

BE IT FURTHER RESOLVED that police officers or authorized flaggers shall, at the expense of the City, be positioned at the end of the closed sections and at other points as may be necessary to assist in directing traffic through the detour.

BE IT FURTHER RESOLVED that police officers, flaggers, and officials shall permit emergency vehicles in emergency situations to pass through the closed area as swiftly as is safe for all concerned.

BE IT FURTHER RESOLVED that all debris shall be removed by the City of Moline prior to re-opening the State Highway.

BE IT FURTHER RESOLVED that such signs, flags, barricades, etc. shall be used by the City of Moline as may be approved by the Illinois Department of Transportation. These items shall be provided by the City of Moline.

BE IT FURTHER RESOLVED that the closure and detour shall be marked according to the Illinois Manual on Uniform Traffic Control Devices.

BE IT FURTHER RESOLVED that the City of Moline hereby agrees to assume all liabilities and pay claims for any damage which shall be occasioned by the closing described above.

BE IT FURTHER RESOLVED that the City of Moline shall provide a comprehensive general liability policy or an additional insured endorsement in the amount of $100,000.00 per person and $500,000.00 aggregate which names the Illinois Department of Transportation and its officials, employees, and agents as insured and which protects them from all claims arising from the requested road closing.

BE IT FURTHER RESOLVED that a copy of this resolution be forwarded to the Illinois Department of Transportation to serve as a formal request for the permission sought in this resolution and to operate as part of the conditions of said permission.

CITY OF MOLINE, ILLINOIS

______________________________
Mayor

August 28, 2012
Date

Passed: August 28, 2012

Approved: September 4, 2012

Attest: ______________________
City Clerk

Approved as to form:

______________________________
City Attorney

Council Bill/Resolution No.: 1224-2012
Sponsor: ____________________

A RESOLUTION

AUTHORIZING the Mayor and City Clerk to apply for a highway permit and execute the necessary forms for the proposed Lagomarcino's Cocoa Beano 5K run, scheduled for Saturday, October 27, 2012.

WHEREAS, Lagomarcino's is sponsoring a 5K Run in the City of Moline which constitutes a public purpose; and

WHEREAS, this event will require the temporary closure of 4th Avenue (IL Route 92) at 15th Street; and

WHEREAS, Section 4-408 of the Illinois Highway Code authorizes the Department of Transportation to issue permits to local authorities to temporarily close portions of State Highways for such public purposes.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MOLINE, ILLINOIS, as follows:

That permission to temporarily close 4th Avenue (IL Route 92) at 15th Street be requested of the Illinois Department of Transportation; and

BE IT FURTHER RESOLVED that this closure shall occur during the approximate time period between 7:30 a.m. and 11:30 a.m. on October 27, 2012.

BE IT FURTHER RESOLVED that this closure is for the public purpose of a Lagomarcino's Cocoa Beano 5K run downtown Moline, IL.

BE IT FURTHER RESOLVED that sections of 4th Avenue (IL Route 92) at 15th Street be intermittently interrupted.

BE IT FURTHER RESOLVED that the City assumes full responsibility for the direction, protection and regulation of the traffic during the time 4th Avenue (IL Route 92) is closed.

BE IT FURTHER RESOLVED that police officers or authorized flaggers shall, at the expense of the City, be positioned at the end of the closed sections and at other points as may be necessary to assist in directing traffic through the detour.

BE IT FURTHER RESOLVED that police officers, flaggers, and officials shall permit emergency vehicles in emergency situations to pass through the closed area as swiftly as is safe for all concerned.

BE IT FURTHER RESOLVED that all debris shall be removed by the City of Moline prior to re-opening the State Highway.

BE IT FURTHER RESOLVED that such signs, flags, barricades, etc. shall be used by the City of Moline as may be approved by the Illinois Department of Transportation. These items shall be provided by the City of Moline.

BE IT FURTHER RESOLVED that the closure and detour shall be marked according to the Illinois Manual on Uniform Traffic Control Devices.

BE IT FURTHER RESOLVED that the City of Moline hereby agrees to assume all liabilities and pay claims for any damage which shall be occasioned by the closing described above.

BE IT FURTHER RESOLVED that the City of Moline shall provide a comprehensive general liability policy or an additional insured endorsement in the amount of $100,000.00 per person and $500,000.00 aggregate which names the Illinois Department of Transportation and its officials, employees, and agents as insured and which protects them from all claims arising from the requested road closing.

BE IT FURTHER RESOLVED that a copy of this resolution be forwarded to the Illinois Department of Transportation to serve as a formal request for the permission sought in this resolution and to operate as part of the conditions of said permission.

CITY OF MOLINE, ILLINOIS

______________________________
Mayor

August 28, 2012
Date

Passed: August 28, 2012

Approved: September 4, 2012

Attest: ______________________________
City Clerk

Approved as to form:

______________________________
City Attorney

Council Bill/Resolution No. 1225-2012
Sponsor: ___________________________________

A RESOLUTION

AUTHORIZING certain minutes and portions of minutes of Executive Sessions of the City Council to be maintained as confidential until further reviewed by the City Council; and

AUTHORIZING the remainder of said Executive Session Minutes referenced herein to be made available for public inspection.

---

WHEREAS, the City Council of the City of Moline is required by statute to periodically meet to review the minutes of all closed sessions (Executive Sessions) to determine the appropriateness of retaining said minutes as confidential or conversely disseminating said minutes to the public; and

WHEREAS, such a meeting took place on August 14, 2012; and

WHEREAS, the City Council has found that certain minutes of the Executive Sessions for past years should be released with the exception of those requiring continued confidential treatment.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MOLINE, ILLINOIS, as follows:

That the following Executive Session minutes are to be released, partially released, or maintained as confidential, until further review and order of the City Council, with those released minutes to be made available for public inspection as required by 5 ILCS 120/2.06(c).

FULL RELEASE:
08/14/2012

All Minutes for which partial release was maintained in Resolution No. 1197-2011 shall be continued as partially released in addition to the following:

PARTIAL RELEASE:
12/13/2011 – Item #1

MAINTAIN CONFIDENTIALITY: All Minutes for which confidentiality was maintained in Resolution No. 1197-2011 shall be continued as confidentiality maintained in addition to the following:

12/13/2011 – Item #2 & #3
01/03/2012
01/10/2012
01/17/2012
01/24/2012
02/07/2012
03/06/2012
03/13/2012
03/20/2012
03/27/2012
04/03/2012
04/10/2012
04/24/2012
05/01/2012
06/05/2012
06/12/2012
08/07/2012

CITY OF MOLINE, ILLINOIS

__________________________________
Mayor

August 28, 2012
Date

Passed: August 28, 2012

Approved: September 4, 2012

Attest: ________________________
City Clerk

Approved as to form:

______________________________
City Attorney

Council Bill/Resolution No. 1226-2012
Sponsor: ___________________________________

A RESOLUTION

AUTHORIZING the Mayor and City Clerk to execute a Licensing Agreement with Iowa Health System to install fiber optic cable in right-of-way.

___________

WHEREAS, Iowa Health System wishes to install fiber optic cable underground in right-of-way from the existing fiber optic cable located near the intersection of 19th Avenue and 7th Street, then north along the west side of 7th Street right-of-way, then west on the south side of 19th Avenue right-of-way to 106 19th Avenue; and

WHEREAS, the placement of the fiber optic cable within the public right-of-way should not pose any hazards to motorists or pedestrians.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MOLINE, ILLINOIS, as follows:

That the Mayor and City Clerk are hereby authorized to execute, on behalf of the City of Moline, a Licensing Agreement with Iowa Health System to install fiber optic cable underground in right-of-way from the existing fiber optic cable located near the intersection of 19th Avenue and 7th Street, then north along the west side of 7th Street right-of-way, then west on the south side of 19th Avenue right-of-way to 106 19th Avenue; provided said agreement is substantially similar in form and content to that attached hereto and incorporated herein by this reference thereto as Exhibit "A," and has been approved as to form by the City Attorney.

CITY OF MOLINE, ILLINOIS

______________________________
Mayor

August 28, 2012
Date

Passed: August 28, 2012
Approved: September 4, 2012

Attest: ______________________
City Clerk

Approved as to Form:

______________________
City Attorney

**<u>Exhibit “A”</u>**

**<u>LICENSEE</u>:** Iowa Health System **– 1200 Pleasant Street, Des Moines, IA 50309**

**<u>LICENSING AGREEMENT</u>**

**<u>PARTIES</u>:** The LICENSOR is the City of Moline, Illinois, a municipal corporation, hereinafter called the CITY.

The LICENSEE is Iowa Health System, 1200 Pleasant Street, Des Moines, IA, 50309, hereinafter called the LICENSEE.

**<u>PREMISES</u>:** Starting at the existing fiber optic cable located near the intersection of $19^{th}$ Avenue and $7^{th}$ Street, running north along the west side of $7^{th}$ Street right-of-way, then running west on the south side of $19^{th}$ Avenue right-of-way to 106 $19^{th}$ Avenue, as depicted on the attached Exhibit “1” to this agreement.

**<u>USE</u>:** LICENSEE shall be allowed only to: Install fiber optic cable underground in the premises.

**<u>INTEREST ACQUIRED</u>:** LICENSEE acquires only the right to: Install fiber optic cable underground in the premises.

The Licensing Agreement is not assignable without prior written approval of the CITY and the LICENSEE shall give the CITY at least twenty-one (21) days notice in writing of the intention to assign. If assignment is made without notice and approval, the CITY, in addition to any remedies for breach hereof, may hold the LICENSEE responsible for all things to be done, fees to be paid and documents to be filed under the terms hereof. No possessory, possessatory, leasehold, ownership, or other property right or interest, except as specifically given herein, is conveyed to or acquired by the LICENSEE and the CITY and LICENSEE specifically disclaim any such acquisition or conveyance.

**<u>TERM</u>:** The first term of this Licensing Agreement is from August 28, 2012 to December 31, 2012. Succeeding years shall be from January 1 to December 31 and shall be automatically renewed, subject to LICENSEE′S submission of insurance certification and payment of fees. The CITY or the LICENSEE may terminate this Licensing Agreement by giving the other party 30 days written notice.

**<u>FEE</u>:** The applications fee is \$560. The annual usage charge is \$30.00.

**<u>CONDITIONS</u>:** LICENSEE shall indemnify and hold the CITY harmless from all acts in connection with use or misuse of the premises, and from any/all accidents on the premises. LICENSEE shall procure a policy of insurance also naming the CITY as additional insured to protect the CITY from all damages to person or property on the premises resulting from accidents on the premises. Said policy or certificate of same shall be deposited with the CITY and shall remain in force or be replaced with one in force prior to the effective date of any cancellation notice.

LICENSEE shall be the primary insured.

LICENSEE shall have the duty and responsibility to maintain the premises in a safe and neat condition, as determined by the CITY.

Upon termination of the Licensing Agreement, LICENSEE shall restore the premises to its condition prior to issuance of Licensing Agreement, or at City's sole and exclusive option, said property on the premises shall become the property of the CITY - at the CITY's option.

Construction on the premises shall be done under the direction of the CITY.  The CITY and its authorized agents shall have the right to enter upon the premises for municipal purposes.

LICENSEE:

By:____________________________

Date: ___________________________

CITY OF MOLINE, ILLINOIS:

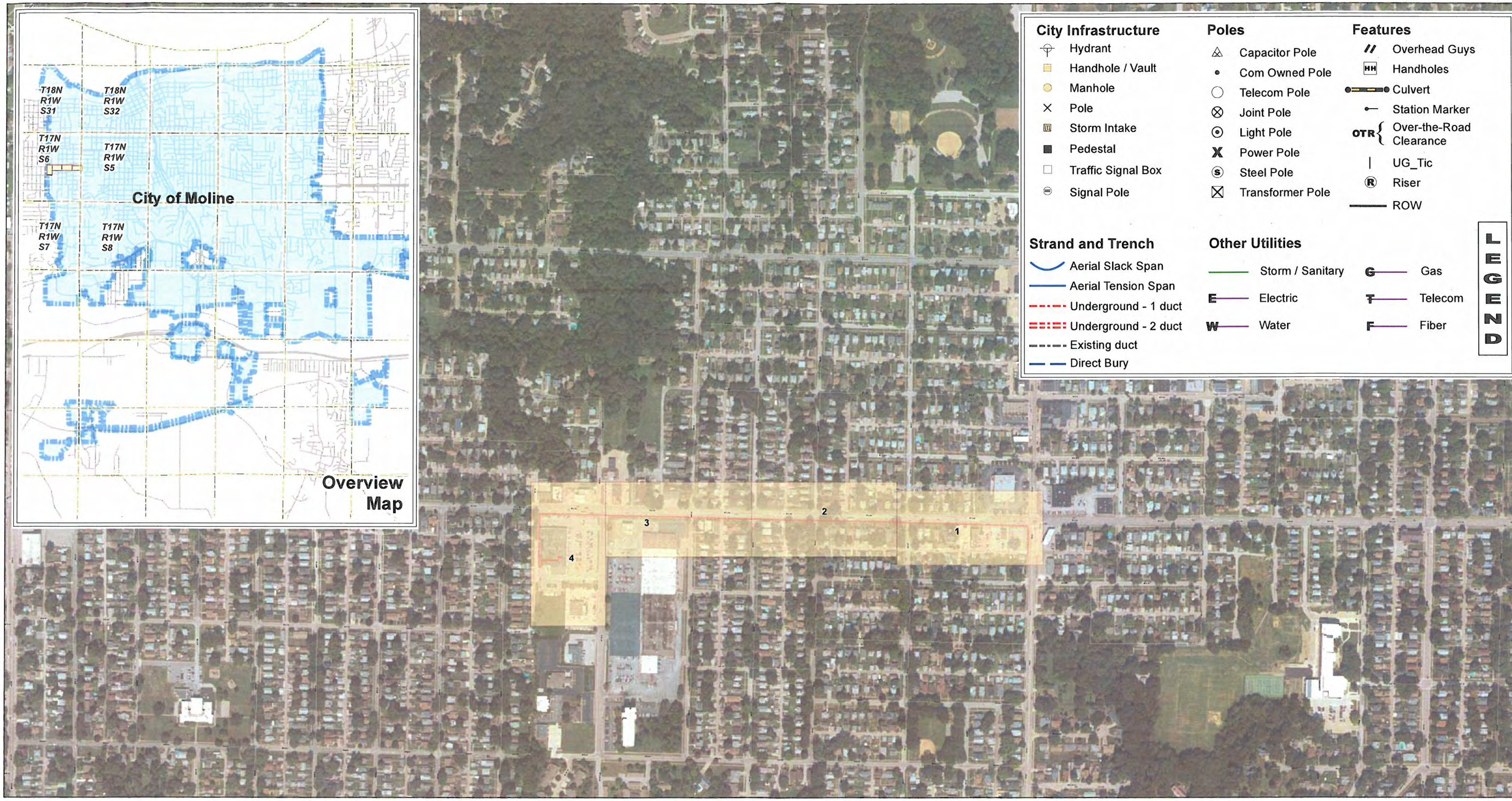
By: ____________________________
Mayor

Attest: ___________________________
City Clerk

Approved as to Form:

__________________________________
City Attorney

Exhibit "1"

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Des Moines, IA 50309

**Iowa Health System**
**Fiber Utilities Group**
**MOL001 - Rev. 1.0**
**Trinity Express Care**
**1906 19th Av. Ste. 103**
**Moline, IL**

Sheet No.: OVERVIEW

1 inch = 500 feet
Print Date: Jul 06, 2012
Revision: 1.0

N W E S

0 250 500 1,000 Feet


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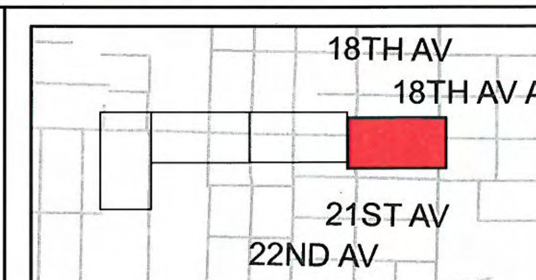


Sheet No.: MOL001 - 1 of 4

1 inch = 50 feet
Print Date: Jul 06, 2012
Revision: 1.0

N W E S

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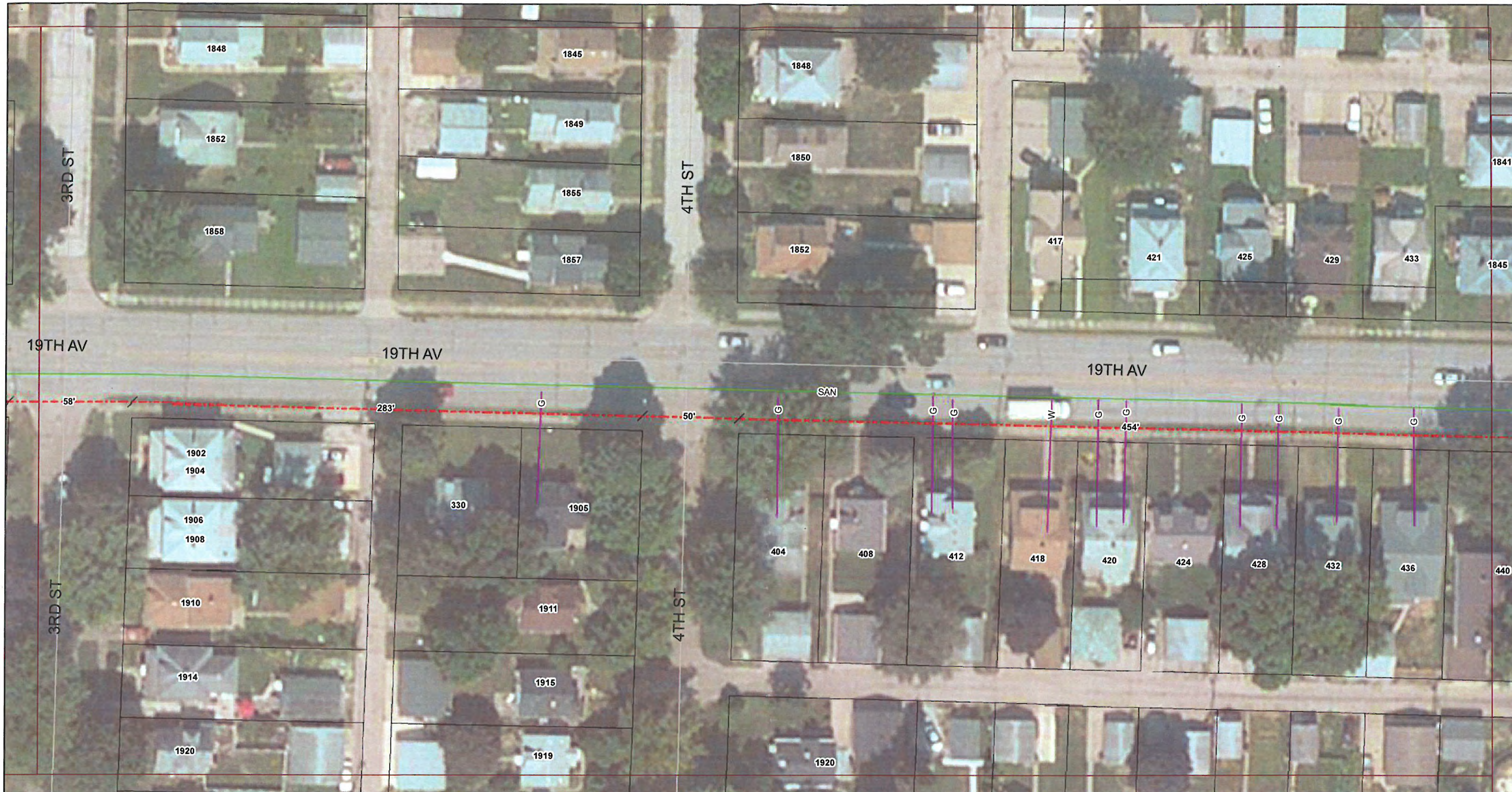


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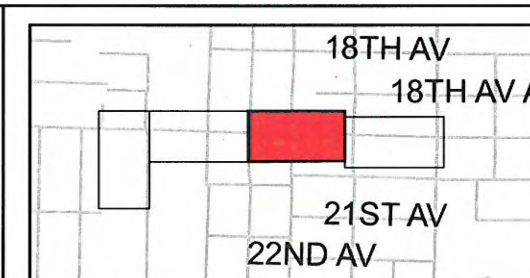


Sheet No.: MOL001 - 2 of 4

1 inch = 50 feet
Print Date: Jul 06, 2012
Revision: 1.0

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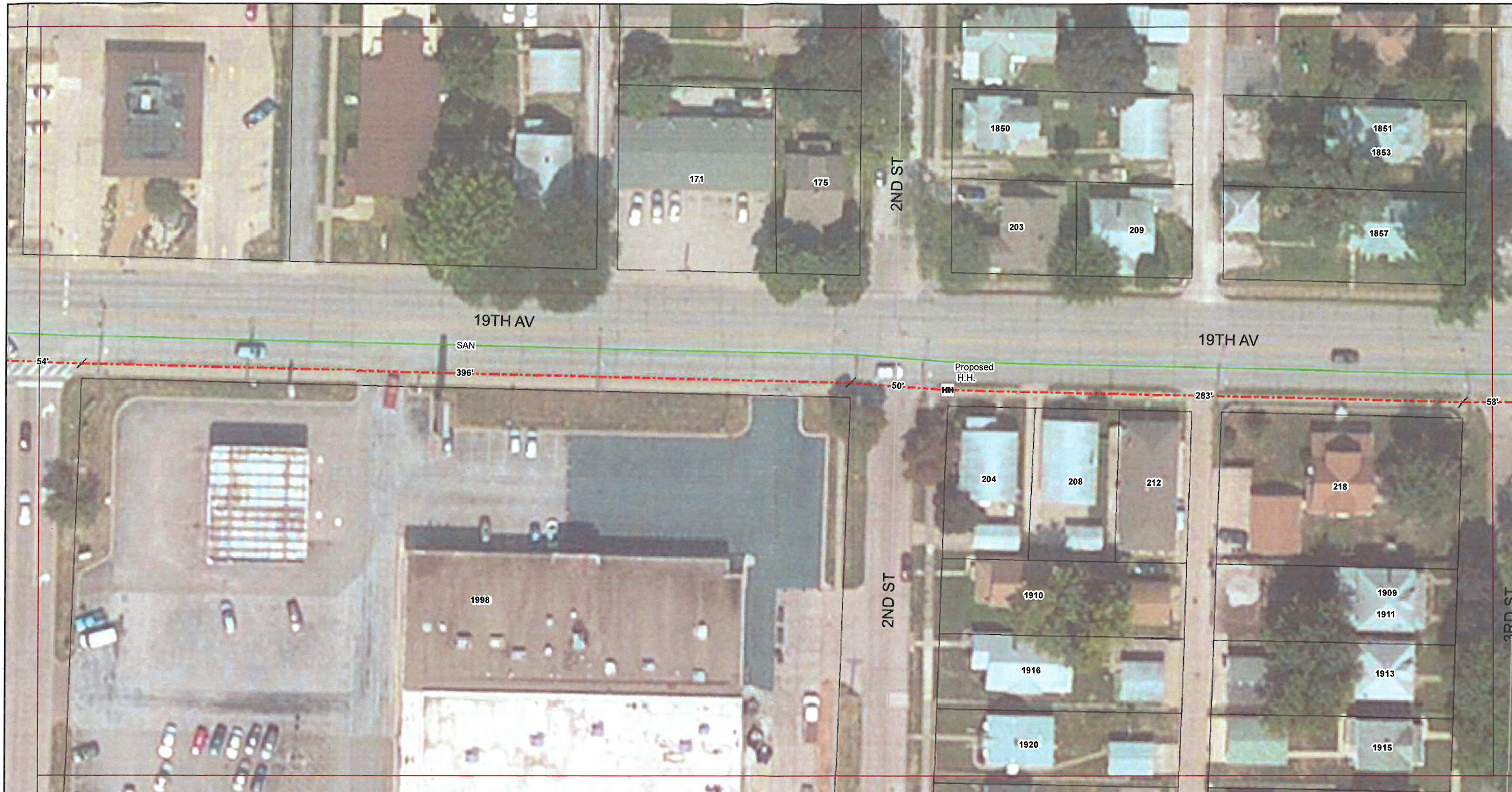
0 25 50 100 Feet

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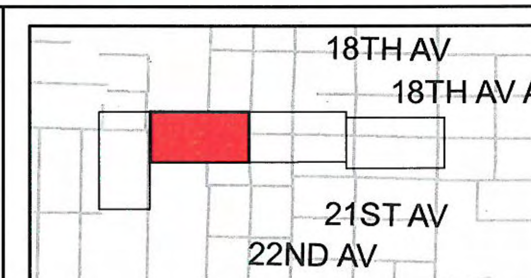
**Moline, IL**




Sheet No.: MOL001 - 3 of 4

1 inch = 50 feet
Print Date: Jul 06, 2012
Revision: 1.0

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0 25 50 100 Feet


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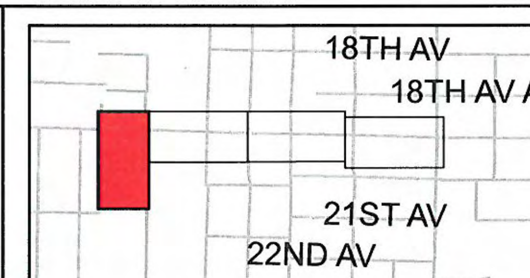
**1906 19th Av. Ste. 103**
**Moline, IL**

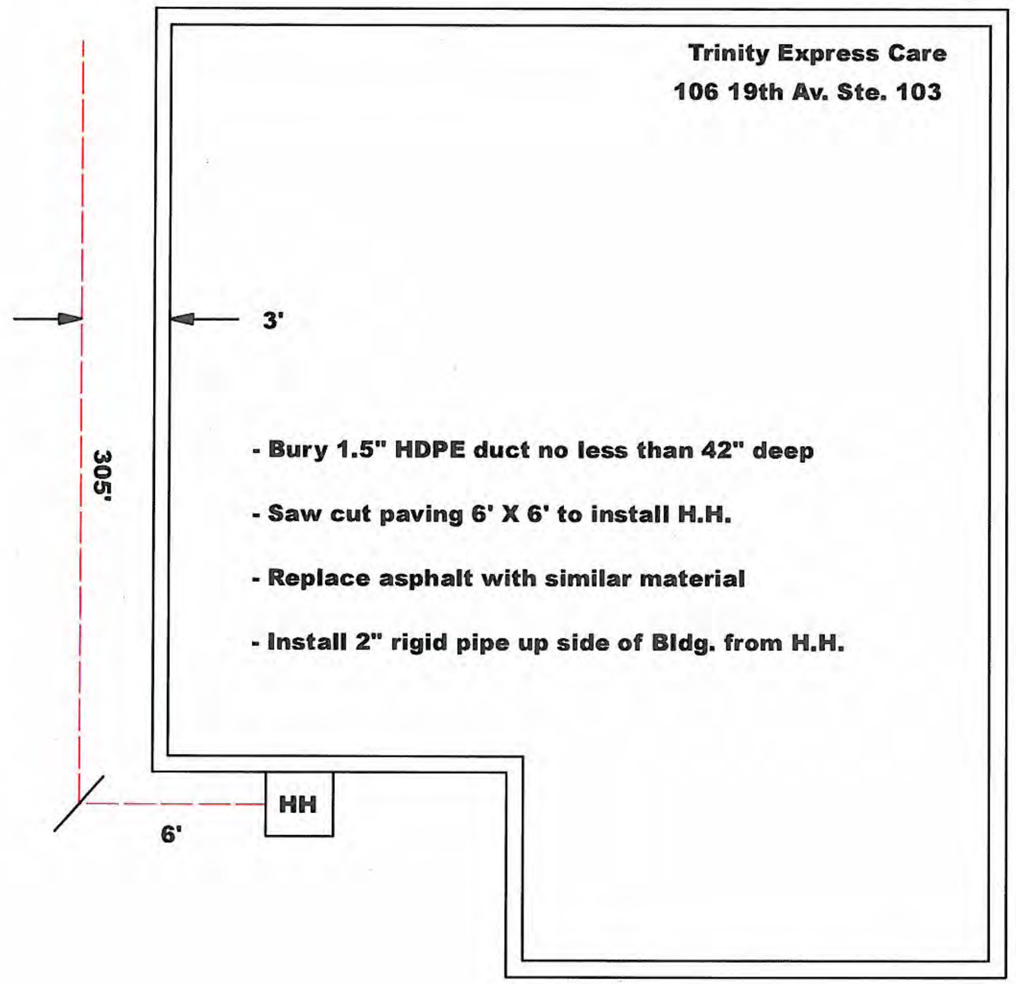



Sheet No.: MOL001 - 4 of 4

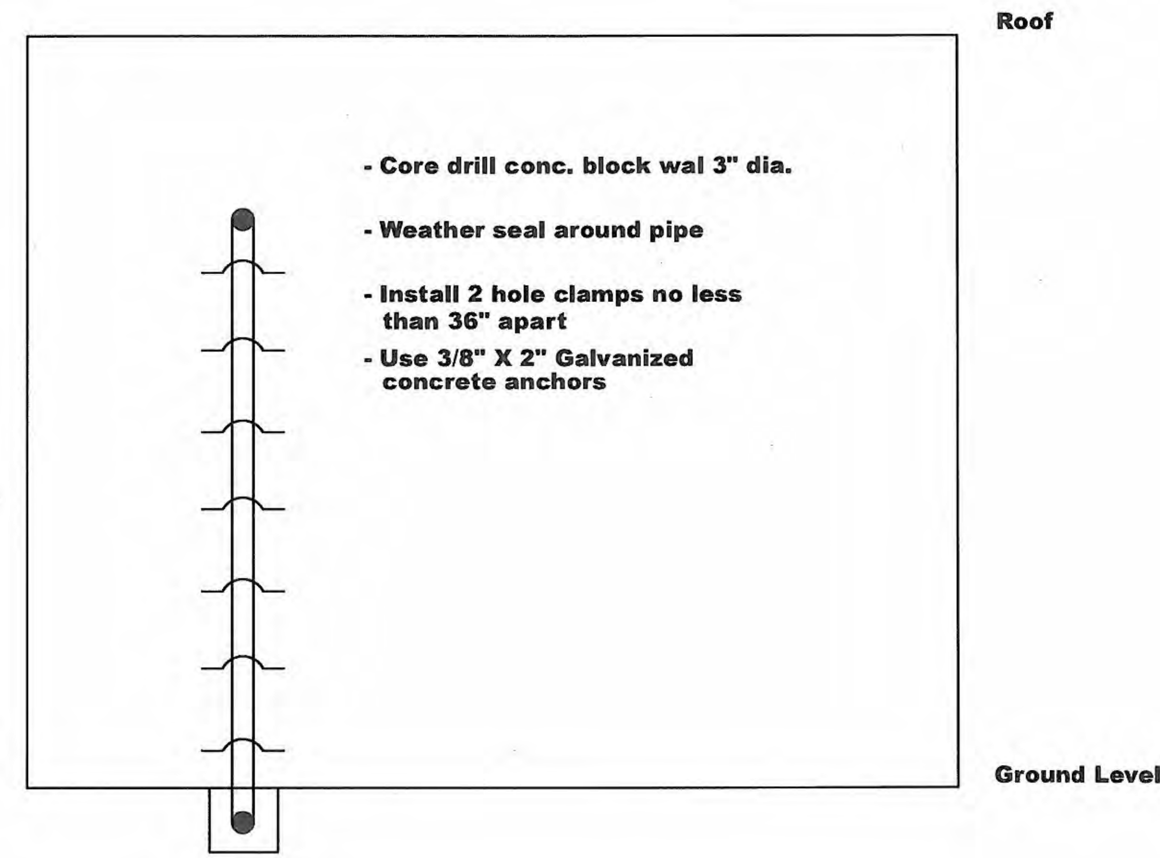
1 inch = 50 feet
Print Date: Jul 06, 2012
Revision: 1.0

N E S W

0 25 50 100 Feet




Top View S.W. corner of BLDG




Side View

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**1906 19th Av. Ste. 103**
**Moline, IL**

**Detail Drawing**

Sheet No.: MOL001 - 4A

**Building Detail**

Print Date: Jul 06, 2012
Revision: 1.0

Council Bill No./Special Ordinance No. 4036-2012
Sponsor: ____________________________________

A SPECIAL ORDINANCE

GRANTING a variance to Section 28-3200(a) of the Moline Code of Ordinances to delay installation of a sidewalk for property located at 3100 48 Avenue.

WHEREAS, the owner of the property addressed as 3100 48 Avenue has requested a variance from installing sidewalk; and

WHEREAS, City standards require sidewalk installation along all streets at the time a lot is developed; and

WHEREAS, the City Council has identified physical hardships on the above-mentioned property, including a lack of connection to other sidewalks and a substandard street which, when reconstructed, will require removal of any existing sidewalk along this property frontage.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MOLINE, ILLINOIS, as follows:

**Section 1** - That this Council hereby finds and declares upon the recommendation of its Committee-of-the-Whole on August 28, 2012 that it is in the best interest of the City of Moline, Illinois, to grant a variance to Sec. 28-3200(a) of the Moline Code of Ordinances for the following described territory to allow the owner of 3100 48 Avenue to delay installation of sidewalk along its frontage until such time that 48 Avenue or 31 Street is reconstructed and/or it is deemed necessary by the City to place sidewalk at this location.

> Lots Three (3) and Four (4) in Arnold's Second Subdivision situated in the City of Moline, County of Rock Island, State of Illinois.

**Section 2** - That this ordinance shall not constitute a repeal of any or all ordinances or resolutions in conflict herewith but shall be construed as a one-time variance with regard to such conflicting ordinances or resolutions.

**Section 3** - That this ordinance is an exercise of the City's home rule powers granted to it by virtue of Article VII, Section 6 of the 1970 Illinois Constitution and shall therefore take precedence over any conflicting State Statutes or rules.

**Section 4** - That this ordinance shall be in full force and effect from and after passage, approval, and if required by law, publication in the manner provided for by law.

CITY OF MOLINE, ILLINOIS

______________________________
Mayor

______________________________
Date

Passed: ______________________________

Approved: ______________________________

Attest: ______________________________
City Clerk

Approved as to Form:

______________________________
City Attorney