



City of Wheaton, Illinois

City of Wheaton  
303 W. Wesley Street  
Wheaton, IL 60187-0727  
630-260-2000

[www.wheaton.il.us](http://www.wheaton.il.us)

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## Actuarial Services

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**Requesting:** Formal Request for Proposal (3 originals compiled as described within)

**Issue Date:** March 21, 2016

**Mandatory Pre-Bid Meeting:** none

**Last Date for Questions:** Thursday March 31, 2016 end of business

**Response Required:** Monday, April 11, 2016 prior to 10:00am local time

**List of Proposers published:** Monday, April 11, 2016 by end of business

**Location:** City Hall Council Chambers; 303 West Wesley St.; Wheaton, IL

**Service Period:** May 2016 - April 2018 (possibility for renewals)

**Enclosures:** General Instructions Regarding the Provision of Professional Services

General Terms and Conditions for Professional Services

Special Terms and Conditions for Professional Services

Statement of Work

*Forms Provided for Submitting this formal Offer\**

Proposal Page

Certification of Compliance

Customized Mailing Label for Sealed Submittal

*Agreement Document (if you are awarded the work/order)*

Standard Professional Services Agreement

**Note:** Illinois Prevailing Wage Act 820 ILCS does not apply

*All questions concerning this solicitation shall be via e-mail to the Procurement Officer and received no later than time stated above. A written response in the form of a public addendum will be published and forwarded to qualified proposers.*

***Contact with anyone other than the Procurement Officer for matters relative to this solicitation during the solicitation process is prohibitive.***

**Contacts for this proposal:**

Procurement Officer: Joan M. Schouten MBA CPIM CPPB; [JSchouten@wheaton.il.us](mailto:JSchouten@wheaton.il.us)

# GENERAL INSTRUCTIONS REGARDING SOLICITATIONS for PROFESSIONAL SERVICES

**Solicitations are open to all qualified firms actively engaged in providing the services specified and inferred.**

## Solicitation Process

### Request for Proposal:

1. The City of Wheaton solicits qualified firms for Professional Services.
2. Firms are qualified based on
  - a. A public formal Request for Qualifications
  - b. Prior experience with the City's facilities, equipment, infrastructure, or issue at hand.
3. A formal Request for Proposal is submitted to qualified firms.
4. It is the responsibility of the Proposer to seek clarification of any requirement that may not be clear. Questions concerning this request shall be submitted via e-mail to the attention of the Procurement Officer by the last date for questions as reflected on the cover page of this document. A written response in the form of an addendum will be forwarded to all firms invited to submit proposals.
5. Proposers shall acknowledge the receipt of any addendum on their proposal.

### The Cone of Silence:

6. The Cone of Silence is designed to protect the integrity of the procurement process by shielding it from undue influences.
7. During the period beginning with the issuance of the Request for Proposal through the execution of the award document, proposers are prohibited from all communications regarding this request with City staff, City consultants, City legal counsel, City agents, or elected officials.
8. Any attempt by a proposer to influence a member or members of the aforementioned may be grounds to disqualify the proposer from participation in this solicitation.

### Exceptions to the Cone of Silence:

9. Written communications directed to the Procurement Officer
10. All communications occurring at pre-bid meetings
11. Oral presentations during finalist interviews, negotiation proceedings, or site visits
12. Oral presentations before publicly noticed committee meetings
13. Contractors already on contract with the City to perform services for the City are allowed discussions necessary for the completion of an existing contract.

### Investigation:

14. It shall be the responsibility of the Proposer to make any and all investigations necessary to become thoroughly informed of what is required and specified.

### Proposals:

15. Proposals must reference the project name and date of the Request for Proposal. Documents should not utilize binders, folders, tabs or papers larger than 8.5 x 11.
16. Delivery of a proposal is acceptance of the City's Contract for Professional Services. Proposals containing terms and conditions contrary to those specified may be considered non-responsive.

### Signatures as Offer:

17. Under the conditions of the Uniform Commercial Code, the signing of the proposal by the proposer constitutes an offer. If accepted by the City, the offer becomes part of the contract.
18. Offers by
  - a. Individuals or sole proprietorships shall be signed by a person with the authority to enter into legal binding contracts. Said individual shall use his usual signature.
  - b. Partnerships shall be signed with partnership name by one of the members of the partnership, or an authorized representative, followed by the signature and title of the person signing.
  - c. By corporations shall be signed with the name of the corporation, followed by the signature and title of person authorized to bind it in the matter.

### Withdrawal of Offers:

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19. Offers may be withdrawn at any time prior to the due date. Requests to withdraw an offer shall be in writing, properly signed, and received by the Procurement Officer prior to the due date.
20. Offers may not be withdrawn after the due date without the approval of the Procurement Officer.
21. Negligence in preparing an offer confers no right of withdrawal after opening / due date.

### Timeframe and Consequences:

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22. Offers must be received before the designated time.
23. Offers received after the designated time will be returned to the sender without review. Offers received late that may be attributed to delays by overnight delivery services, or by delivery services trying to deliver when offices are closed, will be considered late and returned to the sender.
24. Unless otherwise specified in the solicitation, offers shall be binding for ninety (90) calendar days following due date.

### Receipt of Formal Offers:

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25. Formal offers by sealed envelope will be opened at the time and location stated. The Procurement Officer shall publish a list of all proposers on the city's website [www.wheaton.il.us/bids/](http://www.wheaton.il.us/bids/) within three business days.

### Taxes:

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26. The City is exempt by law from paying sales tax on goods, equipment, and products permanently incorporated to the project, from State and City Retailer's Occupation Tax, State Service Occupation Tax, State Use Tax and Federal Excise Tax.
27. The City's Sales Tax Exemption Number is E9997-4312-07.

### Evaluation of Offers

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#### Rejection of Offers

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The city reserves the right to reject any and all offers in whole or in part according to the best interests of the City.

#### Receipt of One (or too few) offers

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28. If the City receives one or too few proposals, as defined by the City, the City may reschedule the due date. The offers received will either be:
  - a. returned unopened to the Proposer for re-submittal at the new due date and time, or
  - b. if there are no changes in requirements, and pending agreement with the Proposer, held until the new due date and time.
29. If the request was publicly broadcast, and the City did not receive any proposals, the City may negotiate with any interested parties.

#### Determining Responsiveness of the Proposal:

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30. Responsive proposals are inclusive of, but not restricted to: received prior to the due date and time, completed as stated in the solicitation request, inclusive of all requirements, able to meet delivery requirements, accepting of all contract terms and conditions.
31. The degree to which a proposal meets the requirements is determined solely on the judgment of the proposal evaluation team.

#### Clarification of Offers:

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32. The City may conduct discussions with Proposers to further clarify the offer as may be necessary. Clarifications shall be documented by the proposer and submitted (e-mail or fax) within 3 business days.

#### Confidential Information

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33. Proposals are subject to the Illinois State Freedom of Information Act (FOIA) requirements including the following exemptions:
  - a. (5 ILCS 140/7) (From Ch. 116, par. 207) Sec. 7.
  - b. Exemptions. (1) The following shall be exempt from inspection and copying: (g) Trade secrets and commercial or financial information obtained from a person or business where the trade secrets or commercial or financial information are furnished under a claim that they are proprietary, privileged or confidential, and that disclosure of the trade secrets or commercial or financial information would cause competitive harm to the person or business and only insofar as the claim directly applies to the records requested.
34. Proposers considering requests to be proprietary and confidential should submit an additional redacted offer. Failure to do so may result in information becoming available to the public.

#### Selection Process:

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35. An evaluation team will review all proposals. The evaluation team is composed of the Director of Finance, Project Manager, and other as required
36. Proposals will be reviewed based on the following selection criteria:
  - a. The credentials and experience of the actuarial firm and the particular actuary designated to supervise the work for the City of Wheaton.
  - b. Independence of the firm.
  - c. Knowledge of the State of Illinois Police Pension Fund and Firefighters' Pension Fund Statutes.
  - d. Experience with Illinois police and fire pension funds and municipal clients.
  - e. Quality, conciseness, clarity and completeness of the proposal.
  - f. Familiarity in preparing GASB S-67 and S-68 disclosures for the municipal audit.
  - g. Familiarity in preparing GASB S-43 and S-45 disclosures for the municipal audit.
  - h. Presentation and completeness of the Actuarial Valuation sample report.
  - i. Ability to meet specified deadlines.
  - j. The proposed fees.
37. Interviews may be conducted with proposers. Said proposers may be required to submit additional data during the interview process. Revisions to proposals may be permitted after initial submission and interview, but before award, for the purpose of obtaining best and final offers.
38. The City reserves the right to negotiate the price and any other term with the proposer offering the best and final offer. Any oral negotiations must be confirmed in writing prior to award.
39. If a negotiated agreement cannot be reached with the front runner, the City may proceed to negotiate with the second best and final offer.
40. The City's determination of award for best overall value will consider the following non-exclusive list: available project management resources, soft costs of contract management; and training costs.

#### **Award:**

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41. Award is based on the best overall value to the City; and deemed most advantageous to the City, based on the totality of lawful considerations, price and other factors considered.
42. Except as otherwise stated, proposers will be awarded within ninety (90) days from the opening date.
43. The City reserves the right to award by phase, part or portion of a phase, any line item or option regardless of order listed.

#### **Requirements if Awarded the Work:**

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##### **Insurance:**

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44. The successful Proposer, if awarded by contract, will be required to carry insurance acceptable to the City. (*reference Contract Addendum 1*).
45. Certificates of Insurance, Endorsements, and a Waiver of Subjugation must be submitted with the execution of the order.
46. The Proposers obligation to purchase stated insurance cannot be waived by the city's action or inaction.

##### **Protests:**

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47. Any Proposer who claims to be aggrieved in connection with the selection process, a pending award, or other reasonable issue may initiate a protest.
  - a. Protests involving the solicitation process must be presented in writing via e-mail to the Procurement Officer no later than the last date for questions as reflected on the cover page of this document.
  - b. Protests involving the evaluation of offers, staff recommendations, or the award process must be submitted in writing to the Procurement Officer no later than three business days after bid results are publicly posted.
48. Protests must include: the name and address of the protestor; appropriate identification of the solicitation; if an award has been initiated, the award document number (if available), identification of the procedure that is alleged to have been violated; precise statement(s) of the relevant facts; identification of the issue to be resolved; protestor's argument and supporting documentation (Exhibits, evidence, or documents to substantiate any claims).
49. A person filing a notice of protest will be required, at the time the notice of protest is filed, to post a bond in the form of a cashier's check in an amount equal to twenty-five percent of the City's estimate of the total volume of the award, or \$1,000, whichever is less.
  - a. If the decision of the Protest does not uphold the action taken by the City, then the City shall return the amount, without deduction, to the Proposer filing the protest.
  - b. If the decision of the Protest upholds the action taken by the City, then the City shall retain the amount of the cashier's check in payment for a portion of the cost and expense for time spent by City staff in responding to the protest and in conducting the evaluation of the protest.
50. Upon receipt of the notice of protest, the Procurement Officer shall stop the award process.
  - a. The Procurement Officer will rule on the protest in writing within two business days from receipt of protest.

- b. Appeals of the Procurement Officer's decision must be made in writing within two business days after receipt thereof and submitted to the City Manager for final resolution. Appellant shall have the opportunity to be heard and an opportunity to present evidence in support of the appeal.
- c. The City Manager's decision is final.

***END OF GENERAL INSTRUCTIONS REGARDING SOLICITATIONS for PROFESSIONAL SERVICES***

# GENERAL TERMS AND CONDITIONS FOR PROFESSIONAL SERVICE PROVIDERS

## Contract Administration:

1. A "Work May Proceed" order will be issued by Procurement upon confirmation of a properly executed contract.
2. Once the "Work May Proceed" order is issued, the contractor's primary contact with the city will become the Project Manager.
3. The Project Manager's primary responsibility is to assure the city receives the professional services in accordance to the terms and conditions and requirements of the contract. The Project Manager will, but is not limited to: oversee the entire project from kick-off activities through close out and payment of final invoice; monitor project progress; address any quality issues and change orders; review and approve deliverables.

## Communications Plan

4. The service provider is required to provide the City's project manager with updates of the project: work completed, assumptions, problems encountered,
5. The updates can be in person or over the phone, at the discretion of the city.

## Change Order Procedure

6. The city reserves the right to make changes to the Scope of Work by altering, adding to, or deducting from the work, without invalidating the contract. All such changes shall be executed under the conditions of the original contract.

## Bulletins

7. Should the contractor consider that a change in the Scope of Work, the contract sum or delivery date is required; he shall initiate a change order and submit it to the Project Manager for documented approval before proceeding with the work.

## Change Orders

8. Issuance of a statement, or verbal approval, is not to be considered a Change Order and is not authorization to proceed.
9. Change orders will be numbered in sequence and dated.
10. Approved Change Orders are required with any/all changes in, the Scope of Work, the contract sum, the time for completion, or any combination thereof.
11. Change orders will describe the change or changes, will refer to the proposal(s) involved, and will be signed by the city and the contractor prior to implementing the change.
12. All Change Orders shall clearly identify the impact of cost and the affect on time required to perform the work associated with the proposal.
  - a. If the proposal is found to be satisfactory and in proper order, and both parties agree upon cost or credit for the change, the city will authorize the documented Change Order which will be confirmed as a contract amendment.

## Payment:

13. Authorization of payment requires receipt of service providers invoice, acceptance of services and receipt of other required paperwork.
14. Payment will be:
  - a. made to the company awarded this order. Under no circumstances will a third party be reimbursed.
  - b. Via the City's Purchasing Card Program, MasterCard, in which payment will occur at time of service delivery (preferred); or
  - c. Via supplier generated invoice.
15. The City complies with the Illinois Local Government Prompt Payment Act which states that any bill approved for payment shall be paid within 30 days after date of approval.
  - a. Invoices must be submitted to the city within six months of order completion. Any invoices submitted in excess of six months from order completion will not be paid.

## Service Issues:

16. The service provider shall not be reimbursed for services not performed per the terms of the contract.
17. If services continue to remain non-compliant, Procurement will prepare a formal Letter of Warning addressing the contractor's Failure to Comply. Contract language states "The City may terminate this Agreement upon thirty (30) days written notice to the Contractor."
18. If contractor fails to achieve required results within stated timeframe, Procurement will terminate contract.

**END OF GENERAL TERMS AND CONDITIONS FOR SERVICE PROVIDERS**

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## *SPECIAL TERMS AND CONDITIONS FOR SERVICE PROVIDERS*

### *Actuarial Services*

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#### **Background:**

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1. The City of Wheaton (City) is seeking proposals from qualified firms to conduct independent actuarial valuations for the City of Wheaton Police and Firefighters' Pension Funds (Pensions) and for Other Postemployment Benefits (OPEB).
2. There is a separate scope of work for each of these valuations.
  - a. An actuarial valuation will be completed every year for the Police and Firefighters' Pension Funds.
  - b. The OPEB actuarial valuation will be completed every second year and updated annually.

#### **Term of Service (Dates subject to change):**

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3. RFP Issued: March 21, 2016
4. Last Date for Questions: March 31, 2016
5. Proposals Due Date: April 11, 2016
6. Oral Interviews/Presentation, if necessary: Week of April 18<sup>th</sup>
7. Award of Contract: May 2<sup>nd</sup> or May 16<sup>th</sup>
8. Execution of Contract / Work May Proceed: May 17 or 21<sup>st</sup>

#### **Options to Renew:**

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9. It is the intent of the City to enter into a three-year agreement, with two (2) one-year renewal extensions at the discretion of the City.
10. Renewal options are only available if services have been deemed acceptable by the Project Manager and the Procurement Officer and an agreed upon price can be negotiated.

#### **Submit**

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#### **PART I: Envelope marked PROPOSED SERVICES**

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The actuarial firm is asked to include the following information in its proposal:

11. Services your firm will provide.
12. Overview of your firm including principals, qualifications of staff, certifications, years in business, peer review system, members of the American Academy of Actuaries, etc. Also, include names, responsibilities and tenure of key members that have left the firm within the last five (5) years, as well as the reason(s) for leaving.
13. Has there been any litigation against the firm or its principals/owners/officers within the past five (5) years?
14. Provide a complete description of any Actuarial Board for Counseling and Discipline complaints filed against the firm or any of its actuaries within the past five (5) years.
15. Discuss the theory and methodology for the actuarial assumptions your firm recommends for computing evaluations for funds of comparable size.
16. A complete reference list of current Illinois police and fire pension fund accounts, OPEB accounts, and other Illinois public pension or municipal accounts. Please include fund contact name, name of fund/municipality, phone number, e-mail address and length of time you have performed their actuarial reports.
17. Provide a list of Illinois public pension fund or municipal accounts that have either terminated or did not renew their actuarial relationship with your firm in the last five (5) years and provide the year of termination, as well as the reason for termination.
18. Sample of Pension and OPEB actuarial valuation reports to be issued.

19. Identification of the specific actuary within the firm who will directly supervise the work. Include a biographical summary.
20. During the review process, the City has the right to request additional information and corrections from any or all of those submitting proposals.

#### PART II: Envelope marked Price Proposal

21. Complete the fee schedule (**Attachment C**), including optional subsequent years and optional services. If necessary, add additional comments to describe your fee structure (i.e. all-inclusive, travel expenses, hourly rate for services outside the scope of the RFP, printing of reports, etc.) and payment requirements (i.e. progress payments, payment upon completion of reports, etc.).
22. Describe the types and level of insurance coverage your firm carries for the actuarial services requested and provide a Certificate of Insurance.
23. The City's standard agreement for professional services is attached.
  - a. Any deviations to City's standard agreement should be itemized and submitted within this envelope

#### Insurance Requirements:

24. Reference Contract Addendum 1

#### Invoices:

25. All invoices must reflect the following applicable information: the Contract Number, the name of the Project, the Name of the Service Provider, and the services/deliverables with the price depicted and date approved in the same format as the offer.

#### For Internal Purposes:

26. All invoices are mailed to the attention of the Colleen Lavery; City of Wheaton; PO Box 727; Wheaton, IL 60187.

#### Payment:

27. Based upon agreed upon payment requirements.
28. Prior to authorization of Final payment, all documents must be presented in their final form and approved by Project Manager.
29. Written approval by the City's Project Manager will be given after verification of quality and completion of service.

***END OF SPECIAL TERMS AND CONDITIONS FOR SERVICE PROVIDER***



# STATEMENT OF WORK FOR SERVICE PROVIDERS

## Actuarial Services

### Scope

#### Scope of Work: Police and Firefighters Pension Funds

- 1) The actuarial firm will be required to
  - a) determine annual employer contributions (tax levy requirement) as required by State law; and
  - b) calculate minimum annual employer contributions, pursuant to pension reform legislation.
  - c) prepare all of the calculations and footnote disclosures required by Governmental Accounting Standards Board (GASB) Statements No. 67 and No. 68 for inclusion in the City's Comprehensive Annual Financial Report (CAFR), beginning with fiscal year ending April 30, 2016.
  - d) The City requires completion
    - i) of the 5/1/2016 actuarial valuation to determine the required tax levy
    - ii) of the 4/30/2017 actuarial valuation to determine the GASB 67/68 disclosure information.

#### 2) Overview

- a) The Wheaton Police Pension Fund is a defined benefit, single-employer plan governed by Illinois Compiled Statutes (Chapter 40, Article 5/3). At April 30, 2015, the plan consisted of the following membership:

Retirees/beneficiaries	54
Inactive not yet receiving benefits	2
Current employees:	
Vested	48
Non-vested	<u>16</u>
Total	120

- b) The Wheaton Firefighters' Pension Fund is a defined benefit, single-employer plan governed by Illinois Compiled Statutes (Chapter 40, Article 5/4). At April 30, 2015, the plan consisted of the following membership:

Retirees/beneficiaries	19
Inactive not yet receiving benefits	1
Current employees:	
Vested	23
Non-vested	<u>15</u>
Total	58

#### 3) Services

- a) The City will provide the actuary with census information, an unaudited trial balance, rates of return calculations from the investment advisors and any other information stipulated by the actuary by May 31 of each year of the agreement for the Police and Firefighters' Pension Plans. The draft financial statements prepared by the auditors will be provided to the actuary by July 31 of each year of the agreement if there are any changes proposed by the auditors.
- b) The selected actuarial firm will prepare the preliminary actuarial valuation results by June 30 of each year of the agreement (or other mutually agreed upon date). At a minimum, the preliminary actuarial results will include a summary of the results, tax levy requirements, all required GASB annual report calculations and disclosures and a discussion of the actuarial assumptions and methods used. Multiple results should be presented for some predetermined/recommended assumptions for interest rates and salary increases as well as actuarial method, amortization period and amortization target. The "Statutory Minimum"

contribution should also be included. These results will be presented and reviewed with the Finance Director/Treasurer prior to finalization.

- c) The Actuarial Valuation Report will then be prepared using the chosen/agreed upon assumptions and methods. Our auditors are requesting that certain information be provided by the actuary to support the financial reporting in accordance with GASB S-67 and GASB S-68.
  - i) The list of requested information is included in **Attachment "A"**.
- d) Annual Benefit Statements are required to be prepared for each member of the Police and Firefighters' Pension Plans. These statements are due by August 15 of each year of the agreement (or other mutually agreed upon date).
- e) The selected actuarial firm may be required to present its findings at a meeting of the City Council, Wheaton Police Pension Board and Wheaton Firefighters' Pension Board, either in person (preferred method) or via telephone if necessary, at mutually agreed upon dates. The selected firm should also update the City on any changing legislation and regulations that are relevant to administration of the pension plan.

#### Scope of Work: Other Postemployment Benefits (OPEB)

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- 4) OPEB valuation: The actuarial firm will be required to
  - a) provide the calculations and footnote disclosures required by Governmental Accounting Standards Board (GASB) Statements No. 43 and No. 45.
  - b) Beginning with our 4/30/18 fiscal year, provide the calculations and footnote disclosures required by GASB Statements No. 74 and No. 75.
  - c) Full OPEB actuarial valuations for April 30, 2016 and April 30, 2018.
- 5) Overview of Other Postemployment Benefits
  - a) The City of Wheaton provides limited health care insurance coverage for its eligible retired employees. At April 30, 2015, the plan consisted of the following membership:

Retirees/beneficiaries	19
Inactive not yet receiving benefits	0
Active plan members	<u>184</u>
Total	203
- 6) Services
  - a) The City will provide the actuary with employee census information, health plan provisions, participant qualifications, payroll data and any other information stipulated by the actuary by May 31 of each year of the agreement. The selected actuarial firm will prepare the actuarial valuation report by June 30 of each year of the agreement (or other mutually agreed upon date). The actuarial valuation provided by the selected actuarial firm will ensure compliance with the reporting requirements in accordance with GASB S-43 and GASB S-45 and provide the necessary disclosure information and required supplementary information for inclusion in the City's Comprehensive Annual Financial Report. Beginning with our 4/30/18 fiscal year, the actuarial valuation provided by the selected actuarial firm will ensure compliance with the reporting requirements in accordance with GASB Statements No. 74 and No. 75 and provide the necessary disclosure information and required supplementary information for inclusion in the City's Comprehensive Annual Financial Report.
  - b) The selected actuarial firm is expected to review the preliminary actuarial report with the Finance Director/Treasurer prior to finalization.

#### Scope of Work: Actuarial Assumptions

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- 7) The information found in **attachment "B"** is from pages 62 to 71, 76-79, 85-92 and 94-96 of the City's most recent Comprehensive Annual Financial Report (CAFR) for the year ended April 30, 2015 and provides the actuarial assumptions used by the City and insight into the funding status of the Pension plans and OPEB.
- 8) The complete CAFR can be found on the City's website: [www.wheaton.il.us](http://www.wheaton.il.us).

## Optional Services

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- 9) The selected actuarial firm may be required to assist the City in developing a funding policy for each of the pension plans.
- 10) The selected actuarial firm may be required to provide future benefit projections and/or future employer contributions for each of the pension plans.

***END OF STATEMENT OF WORK FOR SERVICE PROVIDER***

## ATTACHMENT A

Auditor requested information to support financial reporting in accordance with GASB S-67 and GASB S-68:

1. Determination (confirmation) of the measurement date (plans fiscal year end).
2. Determination of the fiscal year to which the actuarially determined contribution (ADC) applies.
3. Plan membership as of the measurement date in the following categories:
  - a. Inactive Plan Members Currently Receiving Benefits.
  - b. Inactive Plan Members Entitled to but not yet Receiving Benefits.
  - c. Active Plan Members.
4. Total Pension Liability (TPL) as of the beginning of the measurement period.
5. Total Pension Liability as of the end of the measurement period.
6. Changes in the total pension liability with the following components disclosed separately:
  - a. Service cost.
  - b. Interest.
  - c. Changes in benefit terms.
  - d. Differences between actual and expected experience.
  - e. Changes in assumptions.
  - f. Benefit payments (including refunds of contributions).
  - g. Other changes in the total pension liability.
7. The long-term expected rate of return on plan investments and how it was determined.
8. Calculation of the discount rate used to calculate the TPL and the cash flow analysis to support the calculation.
9. Sensitivity analysis of the discount rate on the net pension liability (+/- 1%).
10. The municipal bond rate of return used in the calculation of the discount rate.
11. Actuarially determined contribution (ADC) for the period.
12. Contributions made in relation to the ADC.
13. Covered payroll for the measurement period.
14. Complete list of all assumptions used including mortality tables.
15. Summary of all changes in assumptions and benefit terms since the last measurement date.
16. Dates of any experience studies supporting the actuarial assumptions (GASB S-67, p 31b).
17. Schedule of deferred inflows and outflows of resources by type as of the measurement date (GASB S-68, paragraph 45h).
18. Schedule of the net amount of deferred inflows and outflows of resources that will be recognized in pension expense for the subsequent five years and in the aggregate thereafter.

## CITY OF WHEATON

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2015**NOTE IV - OTHER INFORMATION** (cont.)**A. EMPLOYEES' RETIREMENT SYSTEM** (cont.)**Police Pension**

Police sworn personnel are covered by the Police Pension Plan. Although this is a single employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes (Chapter 40 ILCS 5/3) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund.

At April 30, 2015, the Police Pension membership consisted of:

Retirees and beneficiaries currently receiving benefits	54
Terminated employees entitled to but not yet receiving benefits	2
Current employees	<u>64</u>
 Total	 <u><u>120</u></u>

The Police Pension Plan provides two tiers of pension benefits as well as death and disability benefits. Covered employees hired prior to January 1, 2011 are eligible for Tier 1 benefits. Covered employees hired on or after January 1, 2011 are eligible for Tier 2 benefits.

*Tier 1:* Covered employees attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual pension equal to one half of the salary attached to the rank on the last day of service, or for one year prior to the last day, whichever is greater. The annual pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced pension. The monthly pension of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and paid upon reaching at least the age 55 years, by 3% of the original pension and 3% compounded annually thereafter.

*Tier 2:* Covered employees attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive a monthly pension of 2.5% of the final average salary for each year of creditable service. The average monthly salary is obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by tech number of months in that period. The maximum annual salary for pension purposes is adjusted each year by the lessor of one-half of the annual change in the Consumer Price Index or 3% and is compounded and capped at \$113,551 for calendar year 2014. The annual pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Tier 2 employees with at least 10 years of service may retire at or after age 50 and receive a reduced pension. The monthly pension of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after after the police officer retires or the first anniversary of the pension start date, whichever is later. Non-compounding increases occur annually each January thereafter by the lessor of 3% or one-half of the change in the Consumer Price Index for the proceeding calendar year.

# CITY OF WHEATON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2015

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### NOTE IV - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

##### Police Pension (cont.)

Funding: Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining actuarially determined amount necessary to fund the plan. Effective July 1, 2011 the City has until the year 2040 to fund 90% of the past service costs for the Police Pension Plan. For the year ended April 30, 2015, the City's contribution was 31.56% of covered payroll. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrual liability for benefits.

##### Firefighters' Pension

Fire sworn personnel are covered by the Firefighters' Pension Plan. Although this is a single employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes (Chapter 40 ILCS 5/4) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund.

At April 30, 2015, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	19
Terminated employees entitled to but not yet receiving benefits	1
Current employees	<u>38</u>
Total	<u><u>58</u></u>

# CITY OF WHEATON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2015

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### NOTE IV - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

##### Firefighters' Pension (cont.)

The Firefighters' Pension Plan provides two tiers of pension benefits as well as death and disability benefits. Covered employees hired prior to January 1, 2011 are eligible for Tier 1 benefits. Covered employees hired on or after January 1, 2011 are eligible for Tier 2 benefits.

*Tier 1:* Covered employees attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual pension equal to one half of the salary attached to the rank on the last day of service. The annual pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced pension. The monthly pension of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and paid upon reaching at least the age 55 years, by 3% of the original pension and 3% compounded annually thereafter.

*Tier 2:* Covered employees attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive a monthly pension of 2.5% of the final average salary for each year of creditable service. The average monthly salary is obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by tech number of months in that period. The maximum annual salary for pension purposes is adjusted each year by the lessor of one-half of the annual change in the Consumer Price Index or 3% and is compounded and capped at \$113,551 calendar year 2014. The annual pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Tier 2 employees with at least 10 years of service may retire at or after age 50 and receive a reduced pension. The monthly pension of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after after the firefighter retires or the first anniversary of the pension start date, whichever is later. Non-compounding increases occur annually each January thereafter by the lessor of 3% or one-half of the change in the Consumer Price Index for the proceeding calendar year.

*Funding:* Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining actuarially determined amount necessary to fund the plan. Effective July 1, 2011 the City has until the year 2040 to fund 90% of the past service costs for the Police Pension Plan. For the year ended April 30, 2015, the City's contribution was 29.14% of covered payroll. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrual liability for benefits.

# CITY OF WHEATON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2015

### NOTE IV - OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

#### Summary of Significant Accounting Policies

##### *Police and Firefighters' Pension Plans*

*Basis of Accounting.* The financial statements of the pension fund are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which contributions are due. The City's contributions are recognized when due and a formal commitment to provide the contributions are made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

*Method Used to Value Investments.* Plan investments are reported at fair value. Short-term investments are reported at cost, which approximated fair value. Investments that do not have an established market are reported at estimated fair values.

#### Net Pension Obligation (Asset)

The following is the net pension obligation (asset) calculation from the April 30, 2015 actuarial reports:

	Police Pension	Firefighters' Pension
Annual required contribution	\$ 1,961,084	\$ 981,067
Interest on net pension obligation	(67,184)	(91,660)
Adjustment to annual required contribution	43,055	58,740
Annual pension cost	1,936,955	948,147
Contributions made	(1,961,084)	(1,056,269)
Change in net pension obligation (asset)	(24,129)	(108,122)
Net pension obligation (asset), beginning of year	(959,775)	(1,309,427)
Net pension (asset), end of year	\$ (983,904)	\$ (1,417,549)



# CITY OF WHEATON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2015

### NOTE IV - OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

##### Actuarial Assumptions - Annual Required Contribution

The annual required contribution for the current year above was determined by an actuarial valuation performed as of April 30, 2015 using the following actuarial methods and assumptions:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial valuation date	December 31, 2014	April 30, 2015	April 30, 2015
Contribution rates:			
Employer	13.56%	31.56%	29.14%
Employee	4.50%	9.91%	9.46%
Annual required contribution	\$1,463,089	\$1,961,084	\$981,067
Contributions made	\$1,463,089	\$1,961,084	\$1,056,269
Actuarial cost method	Entry-age normal 5 year smoothed market	Entry-age normal	Entry-age normal
Asset valuation method	Level percentage of payroll	Market	Market
Amortization method	Level percentage of payroll	Level percentage of payroll	Level percentage of payroll
Amortization period	29 years, closed	26 years, closed	26 years, closed
Actuarial assumptions:			
Investment rate of return	7.50%	7.00%	7.00%
	Compounded annually	Compounded annually	Compounded annually
Projected salary increases	.4 to 12.0%	5.50%	5.50%
Inflation rate included	4.00%	3.00%	3.00%
Cost-of-living adjustments	3.00%	3.00%	3.00%

# CITY OF WHEATON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2015

### NOTE IV - OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

##### Trend Information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due.

	Fiscal Year	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Annual pension cost (APC)	2015	\$ 1,463,089	\$ 1,936,955	\$ 948,147
	2014	1,457,910	1,796,251	899,061
	2013	1,359,128	1,754,259	855,957
Contributions made	2015	\$ 1,463,089	\$ 1,961,084	\$ 1,056,269
	2014	1,457,910	1,824,529	944,837
	2013	1,359,128	1,782,259	931,961
Percentage of APC contributed	2015	100%	101.2%	111.4%
	2014	100%	101.6%	105.1%
	2013	100%	101.6%	108.9%
Net pension obligation	2015	\$ -	\$ (983,904)	\$ (1,417,549)
	2014	-	(959,775)	(1,309,427)
	2013	-	(931,497)	(1,263,651)

##### Funded Status and Funding Progress

The City's actuarial value of plan assets for the current year and related information is as follows:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
	December 31, 2014	April 30, 2015	April 30, 2015
Actuarial Valuation Date			
Actuarial Valuation of Assets (a)	\$ 33,607,989	\$ 48,217,063	\$ 27,595,391
Actuarial Accrued Liability (AAL) - Entry Age (b)	\$ 42,189,469	\$ 78,741,575	\$ 36,434,744
Unfunded AAL (UAAL) (b - a)	\$ 8,581,480	\$ 30,524,512	\$ 8,839,353
Funded Ratio (a/b)	79.66 %	61.23 %	75.74 %
Covered Payroll (c)	\$ 10,789,740	\$ 6,214,386	\$ 3,625,452
UAAL as a Percentage of Covered Payroll ((b-a)/c)	79.53 %	491.19 %	243.81 %

# CITY OF WHEATON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2015

### NOTE IV - OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

##### Net Pension Liability

	Police Pension	Firefighters' Pension
Total pension liability	\$ 78,741,575	\$ 36,434,744
Plan fiduciary net position	\$ 48,217,063	\$ 27,595,391
City's net pension liability	\$ 30,524,512	\$ 8,839,353
Plan fiduciary net position as a percentage of the total pension liability	61.23%	75.74%

The schedule of changes in the employer's net position liability and related ratios, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information related to the funded status of the City.

##### Actuarial Assumptions - Total Pension Liability

The total pension liability for the current year above was determined by an actuarial valuation performed as of April 30, 2015, using the following actuarial methods and assumptions:

	Police Pension	Firefighters' Pension
Actuarial Valuation Date	April 30, 2015	April 30, 2015
Actuarial cost method	Entry-age normal	Entry-age normal
Asset valuation method	Market	Market
Actuarial assumptions:		
Projected salary increases	5.50%	5.50%
Inflation	3.00%	3.00%
Interest rate	7.00%	7.00%
Cost-of-living adjustments	3.00%	3.00%

Mortality rates were based on the RP-2000 CHBCA Mortality Table. The actuarial assumptions used in the April 30, 2015 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012.

# CITY OF WHEATON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2015

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### NOTE IV - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

##### Discount Rate

###### *Police Pension Plan*

The discount rate used to measure the total pension liability for the Police Pension Plan was 7.00%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Police Pension Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits payments to determine the total pension liability.

###### *Firefighter's Pension Plan*

The discount rate used to measure the total pension liability for the Firefighters' Pension Plan was 7.00%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Firefighters' Pension Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

##### Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability calculated using the current discount rate as well as what the net pension liability would be if it were to be calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
<i>Police Pension Fund:</i>			
Discount rate	6.00%	7.00%	8.00%
Net pension liability	\$41,060,761	\$30,524,512	\$21,797,978
<i>Firefighters' Pension Fund:</i>			
Discount rate	6.00%	7.00%	8.00%
Net pension liability	\$13,584,085	\$8,839,353	\$4,867,100
Total net pension liability	\$54,644,846	\$39,363,865	\$26,665,078

# CITY OF WHEATON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2015

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### NOTE IV - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

#### PENSION SEGMENT INFORMATION

##### Fiduciary Net Position

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
ASSETS			
Cash and investments	\$ 48,060,079	\$ 27,523,855	\$ 75,583,934
Prepaid items	24,155	12,422	36,577
Receivables			
Accrued interest	<u>139,915</u>	<u>62,158</u>	<u>202,073</u>
Total Assets	<u>48,224,149</u>	<u>27,598,435</u>	<u>75,822,584</u>
LIABILITIES			
Accounts payable	<u>7,087</u>	<u>3,044</u>	<u>10,131</u>
NET POSITION			
Held in trust for pension benefits	<u>\$ 48,217,062</u>	<u>\$ 27,595,391</u>	<u>\$ 75,812,453</u>

# CITY OF WHEATON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2015

### NOTE IV - OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

##### Changes in Plan Net Position

	Pension Trust		
	Police Pension	Firefighters' Pension	Total
<b>ADDITIONS</b>			
Contributions			
Employee	\$ 620,732	\$ 361,941	\$ 982,673
Employer	1,961,084	1,056,269	3,017,353
Miscellaneous revenues	586	-	586
Total Contributions	2,582,402	1,418,210	4,000,612
Investment Income			
Interest on investments	1,686,723	767,756	2,454,479
Net appreciation in fair value of investments	802,659	834,049	1,636,708
Total Investment Income	2,489,382	1,601,805	4,091,187
Less: Investment expense	(179,433)	(91,443)	(270,876)
Net investment income	2,309,949	1,510,362	3,820,311
Total Additions	4,892,351	2,928,572	7,820,923
<b>DEDUCTIONS</b>			
Benefits and refunded contributions	2,943,525	1,076,909	4,020,434
Administration	61,918	32,489	94,407
Total Deductions	3,005,443	1,109,398	4,114,841
Net change in net position	1,886,908	1,819,174	3,706,082
NET POSITION, Beginning of Year	46,330,154	25,776,217	72,106,371
NET POSITION, END OF YEAR	\$ 48,217,062	\$ 27,595,391	\$ 75,812,453

The schedule of funding progress for the postemployment defined benefit plans immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liabilities for benefits over time.

#### B. RISK MANAGEMENT

The City is exposed to various risks including, but not limited to losses related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. The City is self insured for losses from workers' compensation, public liability, general property and casualty. The City has established the Liability Insurance and Health Insurance Internal Service Funds to account for these activities. Each participating fund makes payments to the self-insurance funds. Such payments are displayed on the financial statements as revenues and expenditures/expenses to the extent that the charge to the other funds is based on actual expenses of the funds, plus an additional amount for catastrophic losses. Payments in excess of these amounts, if any, are reported as transfers.

# CITY OF WHEATON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2015

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### NOTE IV - OTHER INFORMATION (cont.)

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#### ***C. COMMITMENTS AND CONTINGENCIES (cont.)***

In 2005, the City entered into a development agreement with Courthouse Land Redevelopment, LLC (developer) for the Courthouse Square Redevelopment Project located in TIF District #3. The City issued bonds to reimburse certain redevelopment costs up to a maximum of \$7.7 million. The development agreement also contained a provision that the developer would provide to the City payment guarantees (developer guarantee), up to \$2.7 million, if the tax incremental revenues were not sufficient to pay the debt service for the years 2009 to 2012. However, the City would be obligated to reimburse the developer for the developer guarantees under certain conditions. The obligation does not constitute a charge upon any funds of the City. In the event that future tax increments are not sufficient to pay off the obligation, the obligation terminates with no further liability to the City. Since the amount of future payments is contingent on the collection of future TIF District #3 increments, the obligation is not reported as a liability in the accompanying financial statements. The balance of the commitment outstanding at year end was \$1,274,393.

In 2012, the City entered into a development agreement with Morningside Wheaton, LLC (developer) for the Main Street Redevelopment Project located in TIF District #2. The City agreed to repay the developer for public improvements up to a maximum of \$1,368,110 if tax increments produced by the development were sufficient. The actual amount to be repaid was based on a lookback calculation. The obligation does not constitute a charge upon any funds of the City. In the event that future tax increments are not sufficient to pay off the obligation, the obligation terminates with no further liability to the City. Since the amount of future payments is contingent on the collection of future TIF District #2 increments, the obligation is not reported as a liability in the accompanying financial statements. Subsequent to year-end, in May, 2015, the agreement was amended as to the amount to be repaid to the developer by the City. Within 30 days of the City's receipt in 2015 of each installment of the 2014 real estate taxes and in 2016 of each of the installments of the 2015 real estate taxes, the City shall make reimbursement payments to the developer for that portion to the tax increment financing taxes. The balance of the commitment outstanding could not be determined.

#### ***D. OTHER POSTEMPLOYMENT BENEFITS***

The City provides postemployment healthcare benefits (OPEB) for retired employees through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the City's governmental and business-type activities, as well as in the library component unit.

#### ***Benefits Provided***

The City provides continued health insurance coverage at the active employer rate to all eligible employees in accordance with Illinois statutes, which creates an implicit subsidy of retiree health insurance. To be eligible for benefits, an employee must qualify for retirement under of the City's retirement plans. Upon a retiree reaching age 65, Medicare becomes the primary insurer.

# CITY OF WHEATON

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2015

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## NOTE IV - OTHER INFORMATION (cont.)

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### *D. OTHER POSTEMPLOYMENT BENEFITS* (cont.)

#### *Summary of Significant Accounting Policies*

**Basis of Accounting.** The plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

**Method Used to Value Investments.** Plan Investments are reported at fair value. Short-term investments are reported at cost, which approximated fair value. Investments that do not have an established market are reported at estimated fair values.

#### *Membership*

Membership of the plan consisted of the following at April 30, 2014, the date of the latest full actuarial valuation:

Retirees and beneficiaries receiving benefits	19
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>184</u>
Total	<u><u>203</u></u>
Number of participating employers	1

#### *Funding Policy*

The City is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until retirement.



# CITY OF WHEATON

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2015

### NOTE IV - OTHER INFORMATION (cont.)

#### *D. OTHER POSTEMPLOYMENT BENEFITS* (cont.)

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to plan, and changes in the City's net OPEB obligation to the Retiree Health Plan:

Annual required contribution	\$	177,088
Interest on net OPEB obligation		12,451
Adjustment to annual required contribution		<u>(10,376)</u>
Annual OPEB cost		179,163
Contributions made		<u>(102,384)</u>
Increase in net OPEB obligation (asset)		76,779
Net OPEB Obligation (Asset) - Beginning of Year		<u>311,284</u>
Net OPEB Obligation (Asset) - End of Year	\$	<u><u>388,063</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the two previous years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
April 30, 2013	\$ 207,886	72.1%	\$ 252,831
April 30, 2014	208,272	71.9	311,284
April 30, 2015	179,163	57.1	388,063



**CITY OF WHEATON**  
**POLICE PENSION FUND**  
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS  
For the Year Ended April 30, 2015

	<b>2015</b>
<b>Total pension liability</b>	
Service cost	\$ 1,478,557
Interest Changes of benefit terms	4,823,743
Differences between expected and actual experience	(311,214)
Changes of assumptions	5,311,642
Benefit payments, including refunds of member contributions	<u>(2,943,525)</u>
<b>Net change in total pension liability</b>	<u>8,359,203</u>
<b>Total pension liability - beginning</b>	<u>70,382,372</u>
<b>Total pension liability - ending (a)</b>	<u><u>\$ 78,741,575</u></u>
<b>Plan fiduciary net position</b>	
Employer contributions	\$ 1,961,084
Employee contributions	620,732
Net investment income	2,309,949
Benefit payments, including refunds of member contributions	(2,943,524)
Administration	(61,918)
Other	586
<b>Net change in plan fiduciary net position</b>	<u>1,886,909</u>
<b>Plan fiduciary net position - beginning</b>	<u>46,330,154</u>
<b>Plan fiduciary net position - ending (b)</b>	<u><u>\$ 48,217,063</u></u>
<b>City's net pension liability - ending (a) - (b)</b>	<u><u>\$ 30,524,512</u></u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	61.23%
<b>Covered-employee payroll</b>	\$ 6,214,386
<b>City's net pension liability as a percentage of covered-employee payroll</b>	491.19%

**Notes to Schedule:**

The City implemented GASB Statement No. 67 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

See independent auditors' report and accompanying notes to required supplementary information.

**CITY OF WHEATON**  
**POLICE PENSION FUND**  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
Last Ten Fiscal Years

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Actuarially determined contribution	\$ 1,025,005	\$ 1,076,725	\$ 1,190,068	\$ 1,266,549
Contributions in relation to the actuarially determined contribution	1,050,000	1,100,000	1,250,000	1,350,000
Contribution deficiency (excess)	<u>\$ (24,995)</u>	<u>\$ (23,275)</u>	<u>\$ (59,932)</u>	<u>\$ (83,451)</u>
Covered-employee payroll	\$ 4,667,602	\$ 4,961,750	\$ 5,348,156	\$ 5,824,986
Contributions as a percentage of covered-employee payroll	22.50%	22.17%	23.37%	23.18%

**Notes to Schedule:**

Valuation date: Actuarially determined contributions are calculated as of May 1 of the prior fiscal year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	26 years (The funding schedule was reset to end in 2040 in 2011)
Asset valuation method	5-year smoothed market
Inflation	3%
Salary increases	5.50%, average, including inflation
Investment rate of return	7.0% through 2015, net of pension plan investment expense,
Retirement age	50-70
Mortality	Mortality rates were based on the RP-2000 Mortality Table CHBCA

See independent auditors' report and accompanying notes to required supplementary information.

<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
\$ 1,465,881	\$ 1,623,894	\$ 1,887,986	\$ 1,913,209	\$ 1,782,779	\$ 1,824,529	\$ 1,961,084
1,500,000	1,650,000	1,887,986	1,913,209	1,782,779	1,824,529	1,961,084
\$ (34,119)	\$ (26,106)	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 5,877,452	\$ 5,845,074	\$ 5,820,884	\$ 6,047,038	\$ 6,118,975	\$ 6,095,171	\$ 6,214,386
25.52%	28.23%	32.43%	31.64%	29.14%	29.93%	31.56%

**CITY OF WHEATON**  
**POLICE PENSION FUND**  
SCHEDULE OF INVESTMENT RETURNS  
For the Year Ended April 30, 2015

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2015

Annual money-weighted rate of return, net of investment expense

5.04%

**Notes to Schedule:**

The City implemented GASB Statement No. 67 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

See independent auditors' report and accompanying notes to required supplementary information.

**CITY OF WHEATON**  
**FIREFIGHTERS' PENSION FUND**  
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS  
For the Year Ended April 30, 2015

	<b>2015</b>
<b>Total pension liability</b>	
Service cost	\$ 997,475
Interest Changes of benefit terms	2,271,888
Differences between expected and actual experience	(173,492)
Changes of assumptions	1,421,791
Benefit payments, including refunds of member contributions	<u>(1,076,910)</u>
<b>Net change in total pension liability</b>	<u>3,440,752</u>
<b>Total pension liability - beginning</b>	<u>32,993,992</u>
<b>Total pension liability - ending (a)</b>	<u><u>\$ 36,434,744</u></u>
<b>Plan fiduciary net position</b>	
Employer contributions	\$ 1,056,269
Employee contributions	361,941
Net investment income	1,510,362
Benefit payments, including refunds of member contributions	(1,076,909)
Administration	<u>(32,489)</u>
<b>Net change in plan fiduciary net position</b>	1,819,174
<b>Plan fiduciary net position - beginning</b>	<u>25,776,217</u>
<b>Plan fiduciary net position - ending (b)</b>	<u><u>\$ 27,595,391</u></u>
<b>City's net pension liability - ending (a) - (b)</b>	<u><u>\$ 8,839,353</u></u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	75.74%
<b>Covered-employee payroll</b>	\$ 3,625,452
<b>City's net pension liability as a percentage of covered-employee payroll</b>	243.81%

**Notes to Schedule:**

The City implemented GASB Statement No. 67 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

**CITY OF WHEATON**  
**FIREFIGHTERS' PENSION FUND**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
Last Ten Fiscal Years

	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Actuarially determined contribution	\$ 616,597	\$ 639,583	\$ 681,243	\$ 637,074
Contributions in relation to the actuarially determined contribution	700,000	750,000	800,000	850,000
Contribution deficiency (excess)	<u>\$ (83,403)</u>	<u>\$ (110,417)</u>	<u>\$ (118,757)</u>	<u>\$ (212,926)</u>
Covered-employee payroll	\$ 2,369,337	\$ 2,333,353	\$ 2,530,205	\$ 2,789,353
Contributions as a percentage of covered-employee payroll	29.54%	32.14%	31.62%	30.47%

**Notes to Schedule:**

Valuation date: Actuarially determined contributions are calculated as of May 1 of the prior fiscal year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	26 years (The funding schedule was reset to end in 2040 in 2011)
Asset valuation method	5-year smoothed market
Inflation	3%
Salary increases	5.50%, average, including inflation
Investment rate of return	7.0% through 2015, net of pension plan investment expense,
Retirement age	50-70
Mortality	Mortality rates were based on the RP-2000 Mortality Table CHBCA

See independent auditors' report and accompanying notes to required supplementary information.



<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
\$ 679,223	\$ 772,718	\$ 982,397	\$ 948,469	\$ 893,458	\$ 937,422	\$ 981,067
850,000	775,000	982,397	948,469	931,961	944,837	1,056,269
\$ (170,777)	\$ (2,282)	\$ -	\$ -	\$ (38,503)	\$ (7,415)	\$ (75,202)
\$ 2,908,545	\$ 2,994,407	\$ 3,149,949	\$ 3,307,774	\$ 3,417,927	\$ 3,564,593	\$ 3,625,452
29.22%	25.88%	31.19%	28.67%	27.27%	26.51%	29.13%

**CITY OF WHEATON**  
**FIREFIGHTERS' PENSION FUND**  
SCHEDULE OF INVESTMENT RETURNS  
For the Year Ended April 30, 2015

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2015

Annual money-weighted rate of return, net of investment expense

6.20%

**Notes to Schedule:**

The City implemented GASB Statement No. 67 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

See independent auditors' report and accompanying notes to required supplementary information.

**CITY OF WHEATON**

POLICE PENSION FUND  
 SCHEDULE OF EMPLOYER'S CONTRIBUTIONS AND SCHEDULE OF FUNDING PROGRESS  
 For the Year Ended April 30, 2015

<u>Actuarial Valuation Date</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage of ARC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
04/30/15	\$ 1,961,084	\$ 1,961,084	100.00%	\$ (983,904)
04/30/14	1,824,529	1,824,529	100.00%	(959,775)
04/30/13	1,782,779	1,782,779	100.00%	(931,497)
04/30/12	1,913,209	1,913,209	100.00%	(902,977)
04/30/11	1,887,986	1,887,986	100.00%	(874,360)
04/30/10	1,650,000	1,623,894	101.61%	(854,068)

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Entry Age</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
04/30/15	\$ 48,217,063	\$ 78,741,575	\$ 30,524,512	61.20%	\$ 6,214,386	491.19%
04/30/14	46,330,154	70,382,372	24,052,218	65.83%	6,095,171	394.61%
04/30/13	43,190,885	66,319,336	23,128,451	65.13%	6,118,975	377.98%
04/30/12	39,625,033	61,841,101	22,216,068	64.08%	6,047,038	367.39%
04/30/11	37,118,126	59,321,090	22,202,964	62.57%	5,820,884	381.44%
04/30/10	32,934,145	54,023,077	21,088,932	60.96%	5,845,074	360.80%

The information presented in the above required supplementary schedule was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation can be found in the notes to basic financial statements.

Valuation date	4/30/2015
Actuarial cost method	Entry Age normal
Amortization method	Level percentage of pay, closed
Remaining amortization period	26 years
Asset valuation method	Market
Actuarial assumptions:	
Investment rate of return	7.00%
Projected salary increases	5.50%
Inflation factor	3.00%
Cost of living adjustments	3.00%

**CITY OF WHEATON**

FIREFIGHTERS' PENSION FUND  
 SCHEDULE OF EMPLOYER'S CONTRIBUTIONS AND SCHEDULE OF FUNDING PROGRESS  
 For the Year Ended April 30, 2015

<u>Actuarial Valuation Date</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage of ARC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
04/30/15	\$ 1,056,269	\$ 981,067	107.67%	\$(1,417,549)
04/30/14	944,837	937,422	100.79%	(1,309,427)
04/30/13	931,961	893,458	104.31%	(1,263,651)
04/30/12	948,469	948,469	100.00%	(1,187,637)
04/30/11	982,397	982,397	100.00%	(1,149,998)
04/30/10	775,000	772,718	100.29%	(1,123,310)

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Entry Age</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
04/30/15	\$ 27,595,391	\$ 36,434,744	\$ 8,839,353	75.74%	\$ 3,625,452	243.81%
04/30/14	25,776,217	32,993,992	7,217,775	78.12%	3,564,593	202.49%
04/30/13	23,400,264	30,762,487	7,362,223	76.07%	3,417,927	215.40%
04/30/12	20,824,163	28,464,172	7,640,009	73.16%	3,307,774	230.97%
04/30/11	19,329,642	26,762,254	7,432,612	72.23%	3,149,949	235.96%
04/30/10	16,907,969	24,253,790	7,345,821	69.71%	2,994,407	245.32%

The information presented in the above required supplementary schedule was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation can be found in the notes to basic financial statements.

Valuation date	4/30/2015
Actuarial cost method	Entry Age normal
Amortization method	Level percentage of pay, closed
Remaining amortization period	26 years
Asset valuation method	Market
Actuarial assumptions:	
Investment rate of return	7.00%
Projected salary increases	5.50%
Inflation factor	3.00%
Cost of living adjustments	3.00%

**CITY OF WHEATON**

OTHER POST EMPLOYMENT BENEFIT PLAN  
 SCHEDULE OF EMPLOYER'S CONTRIBUTIONS AND SCHEDULE OF FUNDING PROGRESS  
 For the Year Ended April 30, 2015

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution Cost (ARC)</u>	<u>Percentage of ARC Contributed</u>	<u>Net OPEB Obligation</u>
04/30/15	\$ 102,384	\$ 177,088	57.82%	\$ 388,063
04/30/14	149,819	206,587	72.52%	311,284
04/30/13	149,819	206,587	72.52%	252,831

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Entry Age</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
04/30/14	\$ -	\$ 2,372,311	\$ 2,372,311	-%	\$17,239,746	13.76%
04/30/12	-	2,870,357	2,870,357	-%	15,896,519	18.06%
04/30/10	-	2,219,906	2,219,906	-%	21,995,745	10.09%

The information presented in the above required supplementary schedule was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation can be found in the notes to basic financial statements.

Valuation date	4/30/2014
Actuarial cost method	Entry Age normal
Amortization method	Level percentage of pay, open
Remaining amortization period	30 years
Asset valuation method	Market
Actuarial assumptions:	
Investment rate of return	4.00%
Projected salary increases	4.00%
Inflation factor	7.50% initial, 5.50% ultimate
Cost of living adjustments	3.00%

## PROPOSAL: Actuarial Services

Based on Amendment # \_\_\_\_\_ dated \_\_\_\_\_

**PLEASE SUBMIT 3 Original Proposals AS FOLLOWS:**

*This Page, followed by  
The Certification of Compliance followed by  
Certificate of Insurance, followed by  
Proposal*

***Please do not submit perforated pages, nor bind your proposal in anything other than paper clips.***

We hereby agree to furnish and deliver to the City of Wheaton, in accordance with the Terms and Conditions, Specifications, and Contract Requirements as follows:

All Inclusive Valuation Fee	Police Pension Valuation	Firefighter's Pension Valuation	OPEB Valuation
Fiscal Year 2016	\$	\$	\$
Fiscal Year 2017	\$	\$	\$ (Updated Report)
Fiscal Year 2018	\$	\$	\$
Fiscal Year 2019 (Optional)	\$	\$	\$ (Updated Report)
Fiscal Year 2020 (Optional)	\$	\$	\$

Optional Services	Police Pension	Firefighter's Pension
Develop a Funding Policy	\$	\$
Provide Future Benefit Projections	\$	\$
Provide Future Employer Contributions	\$	\$

Other Fees	Police Pension	Firefighter's Pension	OPEB
Travel Expenses			
Mileage			
Lodging (if applicable)			
Other			
Hourly rate for work outside scope of RFP			
Report printing/binding			

Payment Requirements	Describe
Valuations/Report Update	
Development of Fund Policy (Optional)	
Future Benefit Projections (Optional)	
Future Employer Contributions (Optional)	
Travel Expenses	
Hourly work outside of scope (Optional)	

*CERTIFICATION OF COMPLIANCE*  
*Actuarial Services*

The undersigned, being first duly sworn an oath, deposes and states that he/she has the authority to make this certification on behalf of the bidder for the product, commodity, or service and:

- (A) The undersigned certifies that, pursuant to 720 ILCS Act 5, Article 33E of the Illinois Compiled Statutes, the bidder is not barred from bidding on this contract as a result of a conviction for the violation of State of Illinois laws prohibiting bid-rigging or bid-rotating.
- (B) The undersigned certifies that, pursuant to 65 ILCS 5/11-42.1-1 of the Illinois Compiled Statutes, the bidder is not delinquent in the payment of any tax administered by the Illinois Department of Revenue.
- (C) The undersigned certifies that, pursuant to 30 ILCS 580/3, Section 3 the bidder deposes, states and certifies it will provide a drug free workplace by complying to the Illinois Drug Free Workplace Act.
- (D) The undersigned certifies that, pursuant to 820 ILCS 130/1-12 of the Illinois Compiled Statutes, the bidder, when required, is in compliance to all requirements of the Prevailing Wage Act.
- (E) The undersigned certifies that, pursuant to 30 ILCS 570/ Section 5 Article 2 of the Illinois Compiled Statutes, the bidder is in compliance to all requirements of the Employment of Illinois Workers on Public Works Act.
- (F) The undersigned certifies that they agree to fulfill all Requirements, Specifications, Terms and Conditions.
- (G) The undersigned certifies that they agree to fulfill all Contract Requirements.
- (H) The undersigned certifies that they agree to present alternative Greener products/processes to the City for consideration in this work.

**Check One:**

- There are no conflicts of interest;** and in the event that a conflict of interest is identified anytime during the duration of this award, or reasonable time thereafter, you, your firm, or your firm’s ownership, management or staff will immediately notify the City of Wheaton in writing.
- There is an affiliation or business relationship** between you, your management or staff, your firm, or your firm’s ownership, and an employee, officer, or elected official of the City of Wheaton who makes recommendations to the City of Wheaton with respect to expenditures of money, employment, and elected or appointed positions. *Provide any and all affiliations or business relationships that might cause a conflict of interest or any potential conflict of interest. Include the name of each City of Wheaton affiliate with whom you, your firm, or your firm’s ownership, management or staff, has an affiliation or a business relationship.*

**This Business Firm is:** (check one)

- a Corporation       a Partnership       an Individual       an LLC

Firm Name: \_\_\_\_\_

Firm Address: \_\_\_\_\_  
\_\_\_\_\_

Signature: \_\_\_\_\_

Print Name \_\_\_\_\_

Position: \_\_\_\_\_

Phone #: \_\_\_\_\_

Fax #: \_\_\_\_\_

e-mail address \_\_\_\_\_

Date signed: \_\_\_\_\_

<p><b>Operational Contact for this work</b> Name: _____ Phone #: _____ e-mail: _____</p> <p><b>Sales Contact</b> Name: _____ Phone #: _____ e-mail: _____</p> <p><b>Billing Contact</b> Name: _____ Phone #: _____ e-mail: _____</p>
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*CUSTOMIZED MAILING LABEL FOR SEALED BID*

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✂✂✂✂✂✂✂ CUT OUT ✂✂✂✂✂✂✂

*Cut along outer border and affix this label to your sealed bid envelope to identify it as a "Sealed Bid".*

**SEALED BID – DO NOT OPEN**

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**PROPOSAL FOR:**

Actuarial Services  
**Proposed Services**

-----  
**PROPOSAL FROM:** *(Insert your company name below)*

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**Proposals due:** April 11, 2016 prior to 10:00am local time  
**List of Proposers published:** April 11, 2016 end of business

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**TO BE OPENED BY PROCUREMENT OFFICER**

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**MAIL TO:**

**Joan M. Schouten, MBA CPIM CPPB  
Procurement Officer  
City Hall /  
City of Wheaton  
P.O. BOX 0727  
303 West Wesley Street  
Wheaton, IL 60187-0727**

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*CUSTOMIZED MAILING LABEL FOR SEALED BID*

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✂✂✂✂✂✂✂ CUT OUT ✂✂✂✂✂✂✂

*Cut along outer border and affix this label to your sealed bid envelope to identify it as a "Sealed Bid".*

**SEALED BID – DO NOT OPEN**

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**PROPOSAL FOR:**

Actuarial Services  
Price Proposal

-----  
**PROPOSAL FROM:** *(Insert your company name below)*

-----  
**Proposals due:** April 11, 2016 prior to 10:00am local time  
**List of Proposers published:** April 11, 2016 end of business

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**TO BE OPENED BY PROCUREMENT OFFICER**

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**MAIL TO:**

**Joan M. Schouten, MBA CPIM CPPB  
Procurement Officer  
City Hall /  
City of Wheaton  
P.O. BOX 0727  
303 West Wesley Street  
Wheaton, IL 60187-0727**

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This number must appear on all invoices and documents.

No. \_\_\_\_\_

Agreement Between the City of Wheaton, Illinois  
and \_\_\_\_\_  
for Professional Services

*Actuarial Services*

This Agreement is entered into by and between the City of Wheaton, an Illinois municipal corporation ("City"), 303 West Wesley Street, Wheaton, IL 60187, and \_\_\_\_\_ ("Professional Service Provider"), address.

WITNESSETH:

Whereas, the City has determined that it is strategic to hire a Professional Service to provide services (hereinafter the "Work") consistent with the attached **Exhibit A [Exhibit A is the Request for Proposal]** which is incorporated herein and is fully set forth; and

Whereas, the Professional Service provider has submitted a proposal attached **Exhibit B [Exhibit B is the Proposal]** for this work, and

Whereas, the City finds the proposal submitted by the Professional Service provider meets the City's service requirements for the Work.

Now, therefore, in consideration of their mutual promises, terms, covenants, agreements, and conditions recited in this Agreement, the City and the Professional Service provider hereto do hereby agree as follows:

- 1. Scope of Service:** *The Recital paragraphs are incorporated herein as substantive terms and conditions of this Agreement and as representing the intent of the Parties. The Professional Service provider shall furnish all labor, materials, and equipment to provide and perform the Work. The Professional Service provider represents and warrants that it shall perform the Work in a manner consistent with the level of care and skill customarily exercised by other Professional Service providers under similar circumstances.*
- 2. Compensation:** *The City shall compensate the Professional Service provider according to the terms of the Professional Service provider's proposal which is attached hereto as **Exhibit B.***
- 3. Waivers of Lien:** *The City reserves the right to require waivers of lien before payment where the City deems it to be in its best interest to do so.*
- 4. Term of Agreement:** *This Agreement shall become effective upon the latter of the date accepted and signed by the City and the date accepted and signed by the Professional Service provider. It shall be in effect until the city deems the work complete and acceptable. Renewal options are only available if services have been deemed acceptable by the Project Manager and the Procurement Officer and an agreed upon price can be negotiated.*
- 5. Time is of the Essence:** *Time is of the essence in the performance of all the terms and conditions of this agreement. Failure to meet stated terms may result in Liquidated Damages.*

6. **Additional Services:** *The Professional Service provider shall provide only the Work specified in this Agreement and attached Exhibits. In the event the Professional Service provider or the City determines that additional goods and/or services are required to complete the Work, such additional goods shall not be provided and/or such additional services shall not be performed unless authorized in writing by the City via the attached Change Order form [Exhibit C will be the Change Order Form.]. Terms, frequency, and prices for additional services shall be confirmed in writing via the Change Order by the City and the Professional Service provider.*
7. **Integration:** *The provisions set forth in this Agreement represent the entire agreement between the parties and supersede all prior agreements, contracts, promises, and representations, as it is the intent of the parties to provide for a complete integration within the terms of this Agreement. This Agreement may be modified only by a further written agreement between the parties, and no modification shall be effective unless properly approved and signed by each party via change order or amendment. No course of conduct before, or during the performance of this Agreement, shall be deemed to modify, change or amend this Agreement.*
8. **Waiver:** *Any failure of either the City or the Professional Service provider to strictly enforce any term, right, or condition of this Agreement whether implied or expressed, shall not be construed as a waiver of such term, right, or condition.*
9. **Compliance with Laws:** *The Professional Service provider shall comply with all applicable federal, state, and local laws, rules, and regulations, and all City ordinances, rules and regulations now in force or hereafter enacted, in the provision of the goods and/or performance of the services required under this Agreement.*
10. **Freedom of Information Act:** *The Actuarial Services Provider shall, within twenty four hours of the City's request, provide any documents in the Actuarial Services Provider's possession related to the contract which the City is required to disclose to a requester under the Illinois Freedom of Information Act. This provision is a material covenant of this Agreement. Actuarial Services Provider agrees to not apply any costs or charge any fees to the City regarding the procurement of records required pursuant to a FOIA request. Should Actuarial Services Provider request that City utilize a lawful exemption under FOIA in relation to any FOIA request thereby denying that request, Actuarial Services Provider agrees to pay all costs connected therewith (such as reasonable attorney's and witness fees, filing fee, and any other expenses) to defend the denial of the request. The defense shall include, but not be limited to, challenged or appealed denials of FOIA requests to either the Illinois Attorney General or a court of competent jurisdiction. Actuarial Services Provider agrees to defend, indemnify, and hold harmless City, and agrees to pay all costs connected therewith (such as reasonable attorney's and witness fees, filing fees and any other expenses) to defend any denial of a FOIA request by Actuarial Services Provider 's request to utilize a lawful exemption to City.*
11. **Discrimination Prohibited:** *The Professional Service provider shall comply with the provisions of the Illinois Human Rights Act, as amended, 775 ILCS 5/1-101 et seq. (1992 State Bar Edition), and with all rules and regulations established by the Department of Human Rights. The Professional Service provider agrees that it will not deny employment to any person or refuse to enter into any contract for services provided for in this Agreement to be performed on its behalf on the basis of unlawful discrimination as defined in the Illinois Human Rights Act.*
12. **Status of Independent Contractor:** *Both City and Professional Service provider agree that Professional Service provider will act as an Independent Actuarial Services Provider in the performance of the Work. Accordingly, the Independent Actuarial Services Provider shall be responsible for payment all taxes including federal, state, and local taxes arising out of the Actuarial Services Provider's activities in accordance with this agreement, including by way of illustration but not limitation, federal and state income tax, social security tax, and any other taxes or license fees as may be required under the law. Actuarial Services Provider further acknowledges under the terms of this Agreement, that it is not an agent, employee, or servant for the City for any purpose, and that it shall not hold itself out as an agent, employee, or servant of the City under any circumstance for any reason. Actuarial Services Provider is not in any way authorized to make any contract, agreement, or promise on behalf of City, or to create any implied obligation on behalf of City, and Actuarial Services Provider specifically agrees that it shall not do so. City shall have no obligation to provide any compensation or benefits to Actuarial Services Provider,*

*except those specifically identified in this Agreement. City shall not have the authority to control the method or manner by which Actuarial Services Provider complies with the terms of this Agreement.*

- 13. Assignment; Successors and Assigns:** *Neither this Agreement, nor any part, rights or interests hereof, may be assigned, , to any other person, firm or corporation without the written consent of all other parties. Upon approval of assignment, this Agreement and the rights, interests and obligations hereunder shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.*
- 14. Non-disclosure:** *During the course of the Works, The Professional Service provider may have access to proprietary and confidential information including, but not limited to, methods, processes, formulae, compositions, systems, techniques, computer programs, databases, research projects, resident name and address information, financial data, and other data. The Professional Service provider shall not use such information for any purpose other than described in this Agreement and Exhibits and shall not directly or indirectly disclose or disseminate such information to any third party without the express written consent of the City.*
- 15. Hold Harmless and Indemnification:** *The Professional Service provider shall defend, hold harmless, and indemnify the City, its directors, officers, employees, agents, and elected officials, in whole or in part from and against any and all liabilities, losses, claims, demands, damages, fines, penalties, costs, and expenses, including, but not limited to, reasonable attorneys' fees and costs of litigation, and all causes of action of any kind or character, except as otherwise provided herein, to the extent that such matter arises from either of the following:*
- a) The Professional Service provider's breach of any term, provision, warranty, standard or requirement of this Agreement including, but not limited to, those provisions of this Agreement pertaining to the Professional Service provider's services; or*
  - b) The negligence or willful misconduct of the Professional Service provider, its employees, agents, representatives, and subActuarial Services Providers.*

*In the event that any claim for indemnification hereunder arises from the negligence or willful misconduct of both the Professional Service provider and the City, the parties agree that any and all liabilities, losses, claims, demands, damages, fines, penalties, costs, and expenses shall be apportioned between the parties on the basis of their comparative degrees of fault, except as otherwise herein provided.*

- 16. Patents:** *The successful Actuarial Services Provider agrees to protect, defend, and save the City harmless against any demand for payment for the use of any patented material process, article, or device that may enter into the manufacture and construction, or copyrighted material that form a part of the Work covered by the contract.*
- 17. Termination of Contract:** *If the Professional Service provider fails to perform according to the terms of this Agreement, then the City may terminate this Agreement upon thirty (30) days written notice to the Professional Service provider. In the event of a termination, the City shall pay the Professional Service provider for services performed as of the effective date of termination, less any sums attributable, directly or indirectly, to Professional Service provider's breach. The written notice required under this paragraph shall be either (i) served personally during regular business hours; (ii) served by facsimile data transmission during regular business hours; ; (iii) by e-mail or (iv) served by certified or registered mail, return receipt requested, addressed to the address listed in this Agreement with postage prepaid and deposited in the United States mail. Notice served personally and by facsimile data transmission shall be effective upon receipt, and notice served by United States mail shall be effective three (3) business days after mailing.*
- 18. Cancellation for Unappropriated Funds:** *The obligation of the City for payment to a Actuarial Services Provider is limited to the availability of funds appropriated in a current fiscal period, and continuation of the contract into a subsequent fiscal period is subject to appropriation of funds, unless otherwise authorized by law.*
- 19. Default.** *In case of default by the Actuarial Services Provider, the City will procure articles or service from other sources and hold the Actuarial Services Provider responsible for any excess cost incurred as provided for in Article*

2 of the Uniform Commercial Code. The City reserves the right to cancel the whole or any part of the contract if the Actuarial Services Provider fails to perform any of the provisions in the contract, fails to make delivery within the time stated, becomes insolvent, suspends any of its operations, or if any petition is filed or proceeding commenced by or against the Seller under any State or Federal law relating to bankruptcy arrangement, reorganization, receivership, or assignment for the benefit of creditors. The Actuarial Services Provider will not be liable to perform if situations arise by reason of strikes, acts of God or the public enemy, acts of the City, fires or floods.

20. **Force Majeure:** No party hereto shall be deemed to be in default or to have breached any provision of this Agreement as a result of any delay, failure in performance or interruption of services resulting directly or indirectly from acts of God, acts of civil or military disturbance, or war, which are beyond the control of such non-performing party.
21. **Other Entity Use:** The Professional Service provider may, upon mutual agreement, permit any municipality or other governmental agency to participate in the contract under the same prices and terms and conditions, if agreed to by both the Professional Service provider and the other municipality or governmental agency.
22. **Notification:** All notification under this Agreement shall be made as follows:

**If to the Professional Service provider:**

Actuarial Services Provider Name

Attn: \_\_\_\_\_

Street address

City, State, Zip

Fax #

e-mail

**If to the City:**

City of Wheaton

Attn: City Clerk

303 W. Wesley Street, Box 727

Wheaton, IL 60189-727

Fax #

e-mail

23. **Severability:** If any provision of this Contract is held to be illegal, invalid, or unenforceable, such provision shall be fully severable, and this Contract shall be construed and enforced as if such illegal, invalid, or unenforceable provision were never a part hereof; the remaining provisions hereof shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance; and in lieu of such illegal, invalid, or unenforceable provision there shall be added automatically as part of this agreement, a provision as similar in its terms to such illegal, invalid, or unenforceable provision as may be possible and legal, valid and enforceable.
24. **Recovery of Costs:** In the event the City is required to file any action, whether legal or equitable, to enforce any provision of this Agreement, the City shall be entitled to recover all costs and expenses incurred as a result of the action or proceeding, including expert witness and attorney's fees, if so provided in any order of the Court.
25. **Governing Law:** This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois, without giving effect to its conflict-of-laws rules. Exclusive jurisdiction for any litigation involving any aspect of this Agreement shall be in the Eighteenth Judicial Circuit Court, DuPage County, Illinois.

In Witness Whereof, the parties have entered into this Agreement this \_\_\_\_ day of \_\_\_\_, 2016.

City of Wheaton, an Illinois municipal corporation

By \_\_\_\_\_ date \_\_\_\_\_  
Donald B. Rose, City Manager

Attest:

---

*Sharon Barrett-Hagen, City Clerk*

***Professional Service Provider***

By \_\_\_\_\_ date \_\_\_\_\_  
signature

**Attest:**

---

### Special Provisions for: Insurance Coverage for Professional Services

The Provider of Professional Services and each of its agents, subcontractors, and consultants hired to perform the Work shall purchase and maintain during the term of this contract insurance coverage which will satisfactorily insure the Provider of Professional Services and, where appropriate, the City against claims and liabilities which may arise out of the Work. Such insurance shall be issued by companies authorized to do business in the State of Illinois and approved by the City. The insurance coverages shall include, but not necessarily be limited to, the following:

- **Worker's Compensation Insurance** with limits as required by the applicable statutes of the State of Illinois. The employer's liability coverage under the worker's compensation policy shall have limits of not less than **FIVE HUNDRED THOUSAND DOLLARS (\$500,000)** each accident/injury and **FIVE HUNDRED THOUSAND DOLLARS (\$500,000)** each employee/disease and **FIVE HUNDRED THOUSAND DOLLARS (\$500,000) POLICY LIMIT**.  
The workers compensation policy shall provide a waiver of subrogation (aka Waiver of our Right to Recover from Others Endorsement), to the City.
- **Commercial General Liability Insurance** protecting the Provider of Professional Services against any and all public liability claims which may arise in the course of performance of this contract. The limits of liability shall be not less than **ONE MILLION DOLLARS (\$1,000,000)** each occurrence bodily injury/property damage combined single limit and **ONE MILLION DOLLARS (\$1,000,000)** aggregate bodily injury/property damage combined single limit. The policy of commercial liability insurance shall include contractual liability coverage and an endorsement naming the City as an additional insured on a primary and non-contributory basis.
- **Commercial Automobile Liability Insurance** covering the Consultant's owned, non-owned, and hired vehicles which protects the Provider of Professional Services against automobile liability claims whether on or off of the City's premises with coverage limits of not less than **ONE MILLION DOLLARS (\$1,000,000)** per accident bodily injury/property damage combined single limit. The policy of commercial liability insurance shall include contractual liability coverage and an endorsement naming the City as an additional insured on a primary and non-contributory basis.
- **Professional Errors And Omissions Coverage** with limits of not less than **ONE MILLION DOLLARS (\$1,000,000)** each claim and in the aggregate covering the Provider of Professional Services against all sums which the provider shall become obligated to pay on account of any error and / or omission arising out of the performance of the professional services for the City under this contract. The professional liability insurance shall remain in effect for a period for not less than four (4) years after the completion of the services to be performed by the provider under this contract.

Nothing herein set forth shall be construed to create any obligation on the part of the City to indemnify Provider of Professional Services for any claims of negligence against the provider or its agents, employees, subcontractors or consultants. Prior to commencement of any work under this Agreement, Provider of Professional Services shall file with the City the required original certificates of insurance with endorsements, including those of subcontractors, which shall clearly state all of the following:

- A. The policy number; name of insurance company; name and address of the agent or authorized representative; name, address, and telephone number of the insured; project name and address; policy expiration date; and specific coverage amounts; and
- B. That the City of Wheaton (including its agents, elected officials, officers and employees) is named as an additional insured under all coverage, except Workers' Compensation and Professional Liability, and that all such coverage shall be primary and non-contributory for the City, its agents, elected officials, officers, and employees. A waiver of subrogation (aka Waiver of our Right to Recover from Others Endorsement), on all coverages shall be provided; and
- C. Should any of the above described policies be cancelled before the expiration date thereof, notice will be delivered in accordance with the policy provisions.
- D. Providers' insurance is primary with respects to any other valid or collectible insurance the City may possess, including any self-insured retention that City may have; and
- E. Any deductibles or self-insured retention shall be stated on the certificates of insurance provided to the City; and

In addition to all of the insurance requirements identified above and contained on the certificates of insurance, all policies of insurance coverage under this section shall also be subject to the following requirements:

- F. All insurance carriers providing coverage under this Agreement shall be authorized to do business in the State of Illinois and shall be rated at least A:VI in A.M. Best and Companies Insurance Guide or otherwise acceptable to the City.
- G. The City of Wheaton shall have the right to reject the insurer/insurance of the contractor or any subcontractor; and
- H. Occurrence policies are preferred. The city may accept claims based policies on a case by case basis providing the Professional Services provider purchases claims made policy for two (2) years past the contract completion date.
- I. The City will consider deductible amounts as part of its review of the financial stability of the bidder; and
- J. No acceptance and/or approval of any insurance by the City shall be construed as relieving or excusing the Provider of Professional Services, or the surety, or its bond, from any liability or obligation imposed upon either or both of them by the provisions of the Contract Documents; and
- K. The City may require increases in Provider of Professional Services 's insurance coverage amounts over the course of this Agreement as it deems necessary; and
- L. Insurance coverage required by this contract shall be in force throughout the Contract Term and upon written request by the City, the Provider of Professional Services shall, within 7 days, provide to the City acceptable evidence of current insurance. Should the Provider of Professional Services fail to provide acceptable evidence of current insurance following written request, the City shall have the absolute right to terminate the Contract without any further obligation to the provider; and
- M. Contractual and other liability insurance provided under this Contract shall not contain a supervision, inspection or engineering services exclusion that would preclude the City from supervising or inspecting the project to the end result. The Provider of Professional Services shall assume all on-the-job responsibilities as to the control of persons directly employed by it.

*END OF SPECIAL PROVISIONS FOR PROFESSIONAL SERVICES*





# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s). **A waiver of subrogation is required.**

PRODUCER	CONTACT NAME:	
	PHONE (A/C, No. Ext):	FAX (A/C, No):
	E-MAIL ADDRESS:	
	INSURER(S) AFFORDING COVERAGE	NAIC #
INSURED	INSURER A :	
	INSURER B :	
	INSURER C :	
	INSURER D :	
	INSURER E :	
	INSURER F :	

**COVERAGES**

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	<b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						EACH OCCURRENCE \$ <b>1,000,000</b> DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ <b>1,000,000</b> GENERAL AGGREGATE \$ <b>1,000,000</b> PRODUCTS - COMP/OP AGG \$ <b>1,000,000</b>
	<b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ <b>1,000,000</b> BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	<input checked="" type="checkbox"/> <b>UMBRELLA LIAB</b> <input checked="" type="checkbox"/> <b>EXCESS LIAB</b> DED RETENTION \$						EACH OCCURRENCE \$ <b>1,000,000</b> AGGREGATE \$ <b>1,000,000</b>
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N If yes, describe under DESCRIPTION OF OPERATIONS below			N/A			<input checked="" type="checkbox"/> WC STATUTORY LIMITS OTHER E.L. EACH ACCIDENT \$ <b>500,000</b> E.L. DISEASE - EA EMPLOYEE \$ <b>500,000</b> E.L. DISEASE - POLICY LIMIT \$ <b>500,000</b>
	<input checked="" type="checkbox"/> Professional Liability and Errors and Omissions: <input type="checkbox"/> Owners/Contractors Protection <input type="checkbox"/> XCU coverage <input type="checkbox"/> Pollution / Environmental liability						<b>1,000,000</b>

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Bid/Project Name –or- Contract Name and #  
Contractor  
Contact  
Address  
Phone #, Email, Fax #

- The City of Wheaton is an additional insured on a primary and non-contributory basis on all insurance policies with respect to Liability.
- Endorsements and A Waiver of Subrogation shall be provided for all policies with each updated certificate
- Contractors: It shall be the responsibility of the contractor to insure that all subcontractors comply with the same insurance requirements.

**CERTIFICATE HOLDER****CANCELLATION**

City of Wheaton  
303 West Wesley Street PO Box 727  
Wheaton, IL 60187-0727  
Attn Procurement Officer (fax) 630-260-2017

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Agreement Between the City of Wheaton, IL  
 And

XXX

Change Order # \_\_\_\_\_

**Change Order required due to:**

- Changed/Unforeseen Condition
- Change in Scope
- Errors and Omissions
- Other: \_\_\_\_\_

**Type of Change Order:**

- Fixed Cost of \$ \_\_\_\_\_
- Time & Materials, not to exceed: \$ \_\_\_\_\_
- Emergency Change, not to exceed \$ \_\_\_\_\_
- Extension of Completion Date

Attached is:  Service Providers Proposal;  Description of Change

**Cost and Schedule Control Summary**

*If this section is left blank, Change Order will not result in additional charges:*

*If this section is left blank, Change Order will not result in additional time to complete the project:*

Original Contract Amount     \$ \_\_\_\_\_  
 Previous COs Adds/Deducts     \$ \_\_\_\_\_  
 This CO Add/Deduct     \$ \_\_\_\_\_  
 Revised Contract Amount     \$ \_\_\_\_\_

Original Contract Duration     \_\_\_\_\_ days  
 Previous COs Add/Deduct     \_\_\_\_\_ days  
 This CO Add/Deduct     \_\_\_\_\_ days  
 Revised Contract Duration     \_\_\_\_\_ days  
 Revised Contract Completion Date     \_\_\_\_\_

The compensation (time and cost set forth in this Change Order comprises the total compensation due the Service Provider, all subcontractors, and all suppliers, for the work or change defined in this Change Order, including impact on the unchanged work. By signing the Change Order, the Service Provider acknowledges and agrees on behalf of himself, all subcontractors, and all suppliers, that the stipulated compensation includes payment for all work contained in the Change Order, plus all payment interruptions of schedules, extended field overhead costs, delay, and all impact, ripple effect or cumulative impact on all other work under this contract. The signing of the Change Order indicates that the Change Order constitutes full mutual accord and satisfaction of subcontractors, and all suppliers, as a result of the change. The Service Provider on behalf of himself, all subcontractors and all suppliers, agrees to waive all rights, without exception or reservation of any whatsoever to file any further claim related to the Change Order. No further claim or request for equitable adjustment of any type shall rise out of or as a result of this Change Order or the impact of this Change Order on the remainder of the work under this Contract.

All terms and Conditions of the original contract apply to this Change Order and remain the same and in full force and effect.

Project Manager: \_\_\_\_\_ Date: \_\_\_\_\_

Department Head: \_\_\_\_\_ Date: \_\_\_\_\_

Finance: \_\_\_\_\_ Date: \_\_\_\_\_

City Manager: \_\_\_\_\_ Date: \_\_\_\_\_

Service Provider: \_\_\_\_\_ Date: \_\_\_\_\_

***Upon approval, forward this document to Procurement for Amendment of Contract.***