

# REIMER DOBROVOLNY & LABARDI PC

A PUBLIC SAFETY LAW FIRM

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November 6, 2024

Honorable Rich Hofeld, Village President  
Village of Homewood  
2020 Chestnut Road  
Homewood, Illinois 60430

***By Priority Mail Delivery Confirmation***

Re: Homewood Police Pension Fund-Annual Tax Levy Requirements

Dear Village President Hofeld:

Please be advised that the undersigned is legal counsel for the Homewood Police Pension Fund. At a recent Pension Board meeting, the Pension Board Trustees discussed the annual tax levy/municipal contribution requirements for the Pension Fund for the upcoming tax year. As you are aware, the Pension Board either relies on an actuarial valuation performed by the Illinois Police Officer's Pension Investment Fund or an independent actuary.

In this case, the Pension Board relied upon the actuarial valuation performed by Lauterbach & Amen. Their recommended levy for the upcoming tax year, in order to satisfy the annual requirements of the Homewood Police Pension Fund, as required by §5/3-125 of the Pension Code, is \$2,877,391. A copy of the Lauterbach & Amen report is enclosed for your review.

Accordingly, pursuant to §5/3-125 of the Pension Code, the Homewood Police Pension Board is requesting the Village of Homewood levy or contribute that amount for the upcoming tax year in order to satisfy the annual requirements of the Homewood Police Pension Fund. In the event that the Village will not be levying or contributing this amount, please advise me.

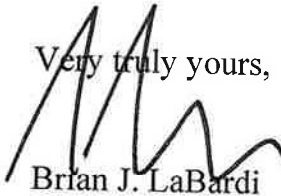
While the Pension Board has requested the Lauterbach & Amen calculated "recommended amount", please be advised the statutory minimum amount determined by the Illinois Police Officers' Pension Investment Fund ("IPOPIF") is \$2,629,870. In the event the Village does not contribute the statutory minimum, its tax revenues received from the State of Illinois would be subject to the intercept law.

Also enclosed, please find a copy of the Pension Fund's "municipal compliance report".

Finally, the Pension Board wishes to draw your attention to §3-125.1 of the Pension Code and §4402.30 of the Illinois Administrative Code defining salary for pension purposes. Both those authorities refer to pensionable salary as being determined at least in part as that established by the municipality's appropriations ordinance. A similar conclusion was recently reached by the First District Appellate Court in *City of Chicago Ridge v. Chicago Ridge Firefighters' Pension Bd. of Trustees*, 2016 IL App (1st) 152089. In light of these authorities, the Pension Board requests the City ensure the appropriate salaries attached to rank for officers covered by Article 3 of the Pension Code are properly reflected in a municipal appropriations ordinance.

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

Very truly yours,



Brian J. LaBardi

cc: Mr. Greg Knoll, President  
Homewood Police Pension Board

THE VILLAGE OF HOMEWOOD, ILLINOIS  
POLICE PENSION FUND

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PUBLIC ACT 95-0950  
MUNICIPAL COMPLIANCE REPORT



FOR THE FISCAL YEAR ENDED  
APRIL 30, 2024

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Lauterbach & Amen, LLP

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October 30, 2024

Members of the Pension Board of Trustees  
Homewood Police Pension Fund  
Homewood, Illinois

Enclosed please find a copy of your Municipal Compliance Report for the Homewood Police Pension Fund for the fiscal year ended April 30, 2024. We have prepared the report with the most recent information available at our office. Should you have more current information, or notice any inaccuracies, we are prepared to make any necessary revisions and return them to you.

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

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

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

Respectfully submitted,

*Lauterbach & Amen, LLP*

LAUTERBACH & AMEN, LLP

**THE VILLAGE OF HOMEWOOD, ILLINOIS  
POLICE PENSION FUND**

**Public Act 95-950 - Municipal Compliance Report  
For the Fiscal Year Ending April 30, 2024**

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

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

	<u>Current Fiscal Year</u>	<u>Preceding Fiscal Year</u>
Total Cash and Investments (including accrued interest)	<u>\$36,344,933</u>	<u>\$33,809,197</u>
Total Net Position	<u>\$36,346,572</u>	<u>\$33,805,399</u>

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

Estimated Receipts - Employee Contributions	<u>\$396,700</u>
Estimated Receipts - All Other Sources	
Investment Earnings	<u>\$2,544,100</u>
Municipal Contribution	<u>\$2,877,391</u>

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

(a) Pay all Pensions and Other Obligations	<u>\$4,458,500</u>
(b) Annual Requirement of the Fund as Determined by:	
Illinois Police Officers' Pension Investment Fund	<u>\$2,629,870</u>
Private Actuary - Lauterbach & Amen, LLP	
Recommended Municipal Contribution	<u>\$2,877,391</u>
Alternative Municipal Contribution	<u>N/A</u>

**THE VILLAGE OF HOMEWOOD, ILLINOIS  
POLICE PENSION FUND**

**Public Act 95-950 - Municipal Compliance Report  
For the Fiscal Year Ending April 30, 2024**

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

	<u>Current Fiscal Year</u>	<u>Preceding Fiscal Year</u>
Net Income Received from Investment of Assets	<u>\$3,069,674</u>	<u>\$567,814</u>
Assumed Investment Return		
Illinois Police Officers' Pension Investment Fund	<u>6.800%</u>	<u>6.800%</u>
Private Actuary - Lauterbach & Amen, LLP	<u>7.000%</u>	<u>7.000%</u>
Actual Investment Return	<u>8.751%</u>	<u>1.670%</u>

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

Number of Active Members	<u>36</u>
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- 6) The total amount that was disbursed in benefits during the fiscal year, including the number of and total amount disbursed to (i) annuitants in receipt of a regular retirement pension, (ii) recipients being paid a disability pension, and (iii) survivors and children in receipt of benefits:

	<u>Number of</u>	<u>Total Amount Disbursed</u>
(i) Regular Retirement Pension	<u>31</u>	<u>\$2,644,066</u>
(ii) Disability Pension	<u>6</u>	<u>\$380,201</u>
(iii) Survivors and Child Benefits	<u>8</u>	<u>\$377,339</u>
Totals	<u>45</u>	<u>\$3,401,606</u>

**THE VILLAGE OF HOMEWOOD, ILLINOIS  
POLICE PENSION FUND**

**Public Act 95-950 - Municipal Compliance Report  
For the Fiscal Year Ending April 30, 2024**

7) The funded ratio of the fund:

	<u>Current Fiscal Year</u>	<u>Preceding Fiscal Year</u>
Illinois Police Officers' Pension Investment Fund	<u>55.86%</u>	<u>55.57%</u>
Private Actuary - Lauterbach & Amen, LLP	<u>56.69%</u>	<u>56.95%</u>

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

Unfunded Liability:

Illinois Police Officers' Pension Investment Fund	<u>\$29,668,403</u>
Private Actuary - Lauterbach & Amen, LLP	<u>\$28,986,197</u>

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


9) Please see attached Investment/Cash Management policy if applicable


Please see Notes Page attached.

CERTIFICATION OF MUNICIPAL POLICE  
PENSION FUND COMPLIANCE REPORT

The Board of Trustees of the Pension Fund, based upon information and belief, and to the best of our knowledge, hereby certify pursuant to §3-143 of the Illinois Pension Code 40 ILCS 5/3-143, that the preceding report is true and accurate.

Adopted this 30<sup>th</sup> day of Oct 2024

President  Date 10-30-24

Secretary  Date 10-30-24

**THE VILLAGE OF HOMEWOOD, ILLINOIS  
POLICE PENSION FUND**

**Public Act 95-950 - Municipal Compliance Report  
For the Fiscal Year Ending April 30, 2024**

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- 1) Total Cash and Investments - as Reported at Market Value in the Audited Financial Statements for the Years Ended April 30, 2024 and 2023.

Total Net Position - as Reported in the Audited Financial Statements for the Years Ended April 30, 2024 and 2023.

- 2) Estimated Receipts - Employee Contributions as Reported in the Audited Financial Statements for the Year Ended April 30, 2024 plus 3.25% Increase (Actuarial Salary Increase Assumption) Rounded to the Nearest \$100.

Estimated Receipts - All Other Sources:

Investment Earnings - Cash and Investments as Reported in the Audited Financial Statements for the Year Ended April 30, 2024, times 7% (Actuarial Investment Return Assumption) Rounded to the Nearest \$100.

Municipal Contributions - Recommended Tax Levy Requirement as Reported by Lauterbach & Amen, LLP, Actuarial Valuation for the Year Ended April 30, 2024.

- 3) (a) Pay all Pensions and Other Obligations - Total Non-Investment Deductions as Reported in the Audited Financial Statements for the Year Ended April 30, 2024, plus a 25% Increase, Rounded to the Nearest \$100.

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

Illinois Police Officers' Pension Investment Fund - Suggested Amount of Tax Levy as Reported in the April 30, 2024 Actuarial Valuation.

Private Actuary - Lauterbach & Amen, LLP:

Recommended Amount of Tax Levy as Reported by Lauterbach & Amen, LLP in the April 30, 2024 Actuarial Valuation.

Statutorily Required Amount of Tax Levy - No statutorily required amount has been provided in a April 30, 2024 Private Actuarial Valuation, at the time of this report.



**THE VILLAGE OF HOMEWOOD, ILLINOIS  
POLICE PENSION FUND**

**Public Act 95-950 - Municipal Compliance Report  
For the Fiscal Year Ending April 30, 2024**

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- 4) Net Income Received from Investment of Assets - Investment Income (Loss) net of Investment Expense, as Reported in the Audited Financial Statements for the Years Ended April 30, 2024 and 2023.

Assumed Investment Return:

Illinois Police Officers' Pension Investment Fund - Current and Preceding Fiscal Year Interest Rate Assumption as Reported in the Years Ended April 30, 2024 and 2023 Actuarial Valuations.

Private Actuary - Current and Preceding Fiscal Year Interest Rate Assumption as Reported in the Years Ended April 30, 2024 and 2023 Actuarial Valuations.

Actual Investment Return -Net Income Received from Investments as Reported Above as a Percentage of the Average of the Beginning and Ending Balances of the Fiscal Year Cash Investments, Excluding Net Investment Income, Gains, and Losses for the Fiscal Year Return Being calculated, as Reported in the Audited Financial Statements for the Fiscal Years Ended April 30, 2024 and 2023.

- 5) Number of Active Members - Illinois Department of Insurance Annual Statement for April 30, 2024 - Schedule P.
- 6) (i) Regular Retirement Pension - Illinois Department of Insurance Annual Statement for April 30, 2024 - Schedule P for Number of Participants and Expense page 1 for Total Amount Disbursed.
- (ii) Disability Pension - Same as above.
- (iii) Survivors and Child Benefits - Same as above.

**THE VILLAGE OF HOMEWOOD, ILLINOIS  
POLICE PENSION FUND**

**Public Act 95-950 - Municipal Compliance Report  
For the Fiscal Year Ending April 30, 2024**

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7) The funded ratio of the fund:

Illinois Police Officers' Pension Investment Fund - Current and Preceding Fiscal Year Net Present Assets as a percentage of Total Assets as Reported in the April 30, 2024 and 2023 Actuarial Valuations.

Private Actuary - Current and Preceding Fiscal Year Net Present Assets as a percentage of Total Assets as Reported in the April 30, 2024 and 2023 Actuarial Valuations.

8) Unfunded Liability:

Illinois Police Officers' Pension Investment Fund - Deferred Asset (Unfunded Accrued Liability) as Reported in the April 30, 2024 Actuarial Valuation.

Private Actuary - Deferred Asset (Unfunded Accrued Liability) as Reported by Lauterbach & Amen, LLP in the April 30, 2024 Actuarial Valuation.