City of Pekin

REGULAR CITY COUNCIL MEETING MONDAY, FEBRUARY 26, 2018
5:30 PM

1. Pledge of Allegiance

2. Call to Order

3. Approve Agenda

3.1. Approve agenda

4. Approval of Minutes

4.1. Approval of Minutes

4.2. City Council - Regular Meeting - Feb 12, 2018 5:30 PM

5. Public Input

6. Consent Agenda

6.1. Enjoy Pekin Tourism Minutes

ACTION REQUESTED: Enjoy Pekin Tourism Minutes – January 9, 2018

6.2. Enjoy Pekin Tourism Minutes 12/12/17

6.3. EDAC Minutes October 2017

ACTION REQUESTED: Receive and File EDAC Minutes October 2017

6.4. Building Department Report - January 2018

ACTION REQUESTED: Receive and File January 2018 Building Department Report

6.5. Nyhart Actuary & Employee Benefits GASB 75 Actuarial Valuation for Post Employment Benefits

ACTION REQUESTED: Receive and File Nyhart OPEB report 4/30/2017

6.6. Resolution No. 80-17/18 Mayor's Appointment of Charity Gullett to the Zoning Board of Appeals

ACTION REQUESTED: Adopt Resolution No. 80-17/18

	6.7.	AUDIT FY 16-17 **ACTION REQUESTED**: Receive and File Annual Financial Statements ending April 30, 2017 prepared by Willock Warning & Co., P.C.
7.	**Communications**	
	7.1.	3rd Quarter Financial Report through January 31, 2018
8.	**New Business**	
	8.1.	Resolution No. 79-17/18 A Resolution Designating a Portion of Parkway Drive, As Designated Location For the Hometown Hero Banner Program **ACTION REQUESTED**: Adopt the resolution designating Parkway as the appropriate location to place Hometown Hero Banners through the program.
	8.2.	Proposal for Financial Services to Tazewell County Consolidated Communication Agency **ACTION REQUESTED**: TP3 to pay $50,000 for payroll services, accounting, and human resource assistance for a 12 month trial period for up to 50 employees.
	8.3.	Amendment to Hanson Professional Services, Inc. Agreement for the Airport Taxiway Lighting Project **ACTION REQUESTED**: To approve the amendment to the Hanson Professional Services Agreement for the C15-4446 Replace Taxiway Lighting and Associated Electrical Regulator for an additional $30,101.00 with the City's portion of the cost at 5% or $1,505.05
9.	**Any Other Business To Come Before The Council**	
10.	**Executive Session 5 ILCS 120/2 (c) 6**	
11.	**Adjourn**	

Column 1 Key:
TC Tony Carson City Manager

Column 2 Key:

1 **A Prosperous Community.** To promote and sustain a balanced economy that supports expansion and retention of family-wage jobs.
2 **A Safe Community.** To protect community life and property by providing effective, principled police and fire services.
3 **A Strong Foundation.** To improve and maintain existing infrastructure and leverage opportunities for new infrastructure.
4 **A High Quality of Life.** To support or provide services that improve the quality of life for Pekin's residents.

5 An Effective Government. To deliver effectively the services that Pekin's residents want, need, and are willing to support.

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PROCEEDINGS OF THE REGULAR MEETING
OF THE CITY COUNCIL OF THE CITY OF PEKIN, ILLINOIS,
HELD IN THE COUNCIL CHAMBERS OF CITY HALL
111 S. CAPITOL ST
ON MONDAY FEBRUARY 12, 2018 AT 5:30 O'CLOCK P.M.
JOHN MCCABE *MAYOR * PRESIDING

****

PLEDGE OF ALLEGIANCE

A quorum was declared by Mayor McCabe. Council Member Schramm was absent.

Attendee Name	Title	Status	Arrived
James A Schramm	Council Member	Absent	
Michael Garrison	Councilman	Present	3:43 PM
Lloyd Orrick	Mayor Pro-Tem	Present	3:42 PM
John P Abel	Council Member	Present	3:55 PM
Michael Ritchason	Council Member	Present	5:19 PM
Mark Luft	Council Member	Present	5:26 PM
John McCabe	Mayor	Present	3:42 PM

APPROVE AGENDA

3.1. Motion to: **Approve agenda**

3.2. Motion to: **Motion**

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Mark Luft, Council Member
SECONDER:	Michael Ritchason, Council Member
AYES:	Garrison, Orrick, Abel, Ritchason, Luft, McCabe
ABSENT:	James A Schramm

APPROVAL OF MINUTES

4.1. Motion to: **Approval of Minutes**

4.2. **City Council - Regular Meeting - Jan 22, 2018 5:30 PM**

RESULT:	**ACCEPTED [UNANIMOUS]**
MOVER:	Michael Garrison, Councilman
SECONDER:	Lloyd Orrick, Mayor Pro-Tem
AYES:	Garrison, Orrick, Abel, Ritchason, Luft, McCabe
ABSENT:	James A Schramm

PUBLIC INPUT

Jim Mangan addressed council regarding the audit on the agenda. He felt it was a good time to ask folks to ask the auditor and treasurer that is present about the questions he's been asking about the half a million dollars not accountable that was taken out in 2015. Mr. Mangan was hoping that the two of them could answer where it's out now or if it was carried over from the 2016/2017 budget. He ended with one other question on the chronic nuisance ordinance. He asked if the ordinance included nuisance of open dumpsters at 14th and Willow Street that have been open continuously forever and a day. He would appreciate finding that out too.

John McNish approached council in reference to the wastewater service purchase and the memo from the city engineer. He points out that the itemization of Mr. Guerra's figures do not add up to the correct amount. Mr. McNish said he talked with Lloyd earlier and Mr. Guerra should be asking for $26,646.52 instead of the request for action of $26,089.22. He doesn't understand how council will vote with different amounts.

Charity Gullett spoke about the chronic nuisance ordinance. Her essential point was that if you yourself are not willing to live aside what she has been the last 14 months then vote yes. she asked that council contemplate Mr. Dossey's first passage and be a responsible citizen and not a passive law abiding voter. She asks that council not do nothing by voting no and not be passive and be involved by voting yes. She asked that you come together and unanimously vote yes. She thanked everyone for their time.

Julia Kurtcher spoke in support of the chronic nuisance ordinance. She explained that she cannot open her windows. She questioned those who could not afford a lawn-mower to mow the lawn. She said she is afraid to go outside and get her mail.

Jacob Collins spoke to support the chronic nuisance ordinance and to support the continuance of the two hour parking restriction for another six months.

Carl Johnson spoke to encourage yes on the upcoming chronic nuisance ordinance. He stated that last year or so he continued with the next door neighbor's porch falling from the house and their property in his yard. He said that luckily these people have moved out and new owners are making extensive repair. This property has attracted vermin, raccoons, possums, rats and he has caught them in his backyard and thrown them out in the country. This behavior decreases the property tax base. He said he owns business rental property and its the first building you see. He maintains this well so that it is safe and clean and to attract new residents in Pekin. He believes some may influence votes to the negative but asks not to listen to them. He said your yes vote will improve quality of life.

Ann Witzig stated that she had questions on the police section. She stated that some fines have been added, over $29,000. She said to take that times 12, if that is the average taken each month, where does that money go? Pension, department, funds? Where? She continued to ask about bids for properties under 7.1 other expenditures. It states $4 million were other expenditures she would like to have a few examples of what other expenditures are. Ms. Witzig then spoke about the airport. She says there are no ramp or tie down fees and fuel is low. She questioned if there has there been any increase in anything on the airport in the last 2 years. If nothings been raised we should look into that. She ended with the fact that she appreciates the ordinance and that down the road it will effect tax base which is what you need. She said people are taking lower amounts when selling their house. We'll have less money if not taken constructively.

Kendra McDaniels stood up to say that she has lived here all her life and she is here to support Charity with the chronic nuisance. She states to vote Pekin proud and vote yes.

Howard Shore spoke to state he is here to support the chronic nuisance amendment. He stated that one of his parents lived next to a house in disrepair, and they too lived next to house with possums and raccoons, vote yes for an amendment.

Betsy Fannon spoke to say she was here to support chronic nuisance ordinance. For 20/30 years she lived next door to a home with no repairs, renters junked backed yard. She bought the property and looks much better now, also had raccoons looking in her back window.

Josh Smith spoke in support of the chronic nuisance ordinance. That's all he had to say.

CONSENT AGENDA

Mayor McCabe presented the Consent Agenda and 3 business items were approved by Omnibus vote.

6.1. Tazewell County Animal Control Billing - January 2018

RESULT:	**RECEIVED AND FILED**

6.2. Police Department December 2017 Stats

RESULT:	**RECEIVED AND FILED**

6.3. Receive and File Notice of Properties to be Demolished Using CDBG Funding

6.4. Motion to: **Motion to Approve Consent Agenda**

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Lloyd Orrick, Mayor Pro-Tem
SECONDER:	John P Abel, Council Member
AYES:	Garrison, Orrick, Abel, Ritchason, Luft, McCabe
ABSENT:	James A Schramm

PRESENTATIONS

7.1. Presentation of Annual Financial Statements

James Warning of Willock Warning & Co., P.C. presented an outline and summary, including the past 3 or 4 years for comparisons, of selected financial information of the City of Pekin for fiscal year ended April 30, 2017 from the audited Annual Financial Statements. He spoke on the financial condition of the City, spending most of his presentation focusing on net pension obligations, the General Fund, the Sewage Fund, and the Solid Waste Fund. He also touched on operating expenses and revenue. The Council followed along as he explained specific pages of the audit referred to in the outline. Council member Orrick asked Mr. Warning's opinion of the future of the city on the continued path. Mr. Warning answered by pointing out that he loves this city and changes will need to be made on a constant basis. Council member Orrick thanked Mr. Warning for his service and job performed. Council member Luft questioned what other communities are doing about their fiscal issues. Mr. Warning answered that he believed cuts needed to be made. Council member Luft and Mayor McCabe expressed their appreciation and gratitude towards Mr. Warning.

7.2. 1327 : Airport Presentation

Mr. Todd Dugan gave his presentation on the airport. He began by describing the history of Pekin Airport and emphasized that the airport allows goods, services, and citizens to move about. He explained how the airport's proximity allows for significant economic efforts. He commented on the many grants and federal money the airport receives that are mostly government subsidized. He explained how increased traffic count and fuel sales offsets operational expenses. Mr. Dugan announced that over 2,000 people attended wings on wheels. Mayor McCabe commented that the state estimated several million in grants over the next five years and asked what they are basing that on. Mr. Dugan explained that it derives from TIFF programs and that the airport is projected to received four million dollars in which we receive 95% and pay back up to 5%. Council members Abel pointed out that customers come from all over. Council member Ritchason spoke about fuel prices and the runway lighting project. City Manager Anthony Carson followed up by pointing out that we have gradually increased prices such as the farm lease and are looking at additional revenue sources. Mr. Carson praised Mr. Dugan on his performance. Council member Ritchason commented that we have outgrown what we have in terms of hanger space and there is a waiting list, he emphasized that there is a lot of growth out there. Council member Luft agreed with council member Ritchason and asked Mr. Dugan how the Pekin Airport's hangar fees compares to others our size. Mr. Dugan explained that our hangar fees are higher but our fuel prices are lower than most. City Manager Anthony Carson followed up by stating that our model makes sense for a small airport. Council member Orrick and Mayor McCabe praised Mr. Dugan for a great job.

NEW BUSINESS

8.1. Ordinance No. 2777-17/18 - Chronic Nuisance Amendment

Motion by Council Member Abel seconded by Council Member Ritchason that Ordinance No. 2777 - 17/18 be adopted. Chief Dossey addressed the Council for questions. He also addressed Mr. Jim Mangan's question about the dumpster order and that a ticket would not be issued right away but the alternative is the Chronic Nuisance Ordinance, the administrative function would be to take it a step further. On roll call vote all present voted Aye.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	John P Abel, Council Member
SECONDER:	Michael Ritchason, Council Member
AYES:	Garrison, Orrick, Abel, Ritchason, Luft, McCabe
ABSENT:	James A Schramm

8.2. Intergovernmental Agreement Advanced Funding for TC3

Motion by Council Member Ritchason seconded by Council Member Luft that Intergovernmental Agreement Advanced Funding for TC3 be adopted. Council was informed that all communities have been asked to advance $25,000 that will allow the new organization to pay ongoing expenses before the merger to consolidate 911 centers from 4 to 2 is complete. We are the last community to vote on this. On roll call vote all present voted Aye.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Michael Ritchason, Council Member
SECONDER:	Mark Luft, Council Member
AYES:	Garrison, Orrick, Abel, Ritchason, Luft, McCabe
ABSENT:	James A Schramm

8.3. Resolution No. 77-17/18 Purchase Computer Servers for Wastewater

Motion by Council Member Luft seconded by Council Member Abel that Resolution No. 77 - 17/18 be amended to approve $26,646.52 to be spent up to that amount. On roll call vote all present voted Aye.

8.4. Motion to: **Motion to Approve WWTP Server Purchase as Amended**

Original motion to approve WWTP Server Purchase as Amended. Council was informed that the contract was approved in August for technical assistance and we do not have that knowledge for our IT as it is a very unique skill set and the life expectancy of our server has surpassed. On roll call vote all present voted Aye.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Mark Luft, Council Member
SECONDER:	Lloyd Orrick, Mayor Pro-Tem
AYES:	Garrison, Orrick, Abel, Ritchason, Luft, McCabe
ABSENT:	James A Schramm

8.5. Resolution No. 74-17/18 A Resolution Authorizing the Mayor to Execute a Modification for Bus Rates and Service

Motion by Council Member Luft seconded by Council Member Ritchason that Resolution No. 74 - 17/18 be adopted. Council was informed that the two year agreement after this year of both South Pekin and Rankin approached the City Manager with an agreement both sides felt were fair. On roll call vote all present voted Aye.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Mark Luft, Council Member
SECONDER:	Michael Ritchason, Council Member
AYES:	Garrison, Orrick, Abel, Ritchason, Luft, McCabe
ABSENT:	James A Schramm

8.6. Resolution No. 78 - 17/18
City of Pekin Downtown Two Hour Parking Restriction Moratorium

Motion by Council Member Garrison seconded by Council Member Orrick that Resolution No. 78 - 17/18 be adopted. City Manager informed Council that six months ago they started a process of getting business owners involved. The City sent out an email and received overwhelming support and calls of support without anyone complaining of a negative impact. They asked for a whole year of the two hour parking restriction. On roll call vote all present voted Aye.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Michael Garrison, Councilman
SECONDER:	Lloyd Orrick, Mayor Pro-Tem
AYES:	Garrison, Orrick, Abel, Ritchason, Luft, McCabe
ABSENT:	James A Schramm

ANY OTHER BUSINESS TO COME BEFORE THE COUNCIL

Mr. Rick Hilst approached the podium to thank Mr. Warning. He continued to ask whether the funds in the cash pool are registered with the Securities and Exchange Commission and if all the money invested is insured or guaranteed. Mr. Hilst continued his questioning as to whether or not the cash pool fund as been audited and how we ended up with money to pay for new garbage trucks. He also wanted to know the principal of the 2010 bond series and what fund they are coming out of. He said he send an email to Mayor McCabe asking if those speaking from the public can be allowed to display pictures on the screens. Mayor McCabe argued that the public is not allowed to use our offices and if we open up the screens they will get bogged down and possibly have technical issues, but he is still thinking. Mr. Hilst continued pointed out that Charity Gullett first came here with a bunch of pictures and that maybe the public would like to see those pictures posted on the screens.

Mr. John McNish spoke by congratulated the Police Chief. He then commented on how everyone looked surprised after Mr. Warning's presentation. He believed Mr. Warning said Council should oversea the finances, but Mr. McNish doesn't see that happening and suggested that Council read the code.

Ann Witzig approached the podium and stated that she did not get an answer of the $20,000 that went for fees from the police department issuing tickets. She commented on how she believes there is nothing to address the 20 people waiting for hangars. If she had money and needed revenue she would move forward and build. Ms. Witzig began to address Mr. Dugan with questions and was stopped by Mayor McCabe to address the Council only as a whole and to write any of her questions down and to give them to him. She agreed she would and moved on to speak about the busses. She would like to know how much premiums were for bus insurance. She explained that she doesn't get what she wants so that is why she gets irritated up there.

Mr. Jacob Collins suggested that Council look at ways to increase revenue and not to be afraid to try new things.

Charity Gullett spoke and thanked Council for passing the Chronic Nuisance Ordinance. She stated that the government can work when we can work together. She believes that Council listened and acted. She commented that she would be defensive if she was spoken to the way Council is spoken to by members of the public.

City Manager Anthony Carson address Council about how at the last meeting Ms. Smith came in about the banner program and he believes that it is worthwhile. He explained that one of the things we have to do is to identify an area conducive to put up banners where we own our own utility polls. He pointed out one area on Parkway Drive from Court Street to Sheridan and asked Council to consider this area to utilize the program. He asked for feedback from Council.

Treasurer Jim Wolf spoke about the questions raises regarding the 2015 loan. He explained that the loan is funded as we present invoices to Morton Community Bank. Final projects have just been completed so he will be able to draw down the loan. The loan is exclusively used for various road projects.

Council Member Abel commented how Charity Gullett will be a poster girl on how things get done. He has spoken to people who are afraid to come up to the podium. He stated that she proved that things do work well most of the time.

Council Member Garrison thanked the citizens that did comment on the Chronic Nuisance Ordinance. He thought it was a no and that it was an overreach, but with passion they changed his mind and he voted yes.

Council Member Luft informed everyone that he is no longer the owner of Maurie's downtown. His wife tried to type up a statement of why they were letting it go but she cried so he is taking care of it. His wife has health issues and they have growing needs of their handicapped child. He thanked those who came down and the community that supported them.

ADJOURN

No further action to come before the Council, motion was made by Council Member Ritchason seconded by Council Member Luft that Council adjorn. Motion carried viva voce. Mayor McCabe adjourned the meeting in open session at 7:20 P.M.

REQUEST FOR COUNCIL ACTION

To: Council Members

Date: February 20, 2018

From: Katy Shackelford, City Planner

Katy Shackelford, City Planner

AGENDA ITEM: Enjoy Pekin Tourism Minutes	
AGENDA DATE REQUESTED: February 26, 2018	
ACTION REQUESTED: Enjoy Pekin Tourism Minutes – January 9, 2018	
DESCRIPTION: Enjoy Pekin Tourism Committee Minutes January 9, 2018	
FINANCIAL IMPACT:	
NEIGHBORHOOD CONCERNS:	
IMPACT IF APPROVED:	
IMPACT IF DENIED:	
ALTERNATIVES:	
RELATED TO EFFICIENCY STUDY:	
RELATIONSHIP TO THE CONCEPTUAL PLANNING PROCESS: [check no more than 2 boxes. Copy this check mark √ and paste it to the left of the relevant theme.]	
	A Prosperous Community. To promote and sustain a balanced economy that supports expansion and retention of family-wage jobs.
	A Safe Community. To protect community life and property by providing effective, principled police and fire services.
	A Strong Foundation. To improve and maintain existing infrastructure and leverage opportunities for new infrastructure.
	A High Quality of Life. To support or provide services that improve the quality of life for Pekin's residents.
	An Effective Government. To deliver effectively the services that Pekin's residents want, need, and are willing to support.

REQUIRED SIGNATURES
Department Directors and City Staff: Date:
Finance Department (Certification of Availability of Funds)**:** Date:
City Manager: Date:

Enjoy Pekin – Tourism Committee Meeting
Tuesday, January 9th, 2018
City Hall – 4:00pm

MINUTES

Voting Members Present: Katy Shackelford, Emily Lambe, Renna Hadsall and Lelonie Luft
Absent: Tony Carson

1.0 Welcome
2.0 Approval of December 12, 2017 Minutes. Motion made by Emily, Seconded by Lelonie to approve the December 12, 2017 minutes. All in favor, motion passed.
3.0 Hospitality
- 3.1 Grant Applications:
  - 3.1.1 Grace UMC – See you at the Pole: Katy made a motion to approve the grant in the amount of $350.59, seconded by Emily. All in favor, motion passed.
- 3.2 Downtown Coordinator Update: Courtney to start this month. Planning 4 events this year; May 18th – Summer Kick-off, June 22nd – Bath Tub races, July 27th – TBA, September 7th – Family Fun Night.
- 3.3 PACVB Updates: Working on Calendar Events for 2018. If Enjoy Pekin Tourism has events, get them submitted to Kaci. Visitors Guide will be out in March 2018. Jimbo Jumbo joined the PACVB. Kaci working on several events for the Summer of 2018.
- 3.4 Pekin Chamber Updates: Leadership Academy starting January 11th, 2018 through March 22, 2018.

4.0 Advertisements/Public Relations:
- 4.1 Pekin Community High School 2018 Spring season: ¼ page ad for the discounted cost of $300.00. Renna made a motion to approve the Pekin Community High School 2018 Spring season, seconded by Lelonie. All in favor, motion passed.

5.0 Infrastructure:
- 5.1 Beautification Initiatives:
  - 5.1.1 Downtown Parking: Tazewell County parking lots and City of Pekin parking lots will have signs for "FREE PARKING" after 5:00pm. Signage will be put up in the parking lots. Katy will modify the new signs and email out to the Committee for approval.
  - 5.1.2 Downtown Wayfinding: Will be putting up the Free Parking signs.

6.0 Promotion:

6.1 Best of Pekin Update: Katy will pick top 3 and put back out for votes. Katy will present winners at the February 9th Puttin on Pekin breakfast. Katy to work on Decals for the award given out.

6.2 Enjoy Pekin Website: Katy working on web site with updates, broken links, etc.

6.2.1 Business Directory Review: Katy distributed several copies of updates so Committee can work on and check for changes.

6.2.2 February Content Development: Valentines will be the February theme. Katy working on the January Eagle watching for the Enjoy Pekin website.

7.0 Attraction: No report

8.0 Other Business:

IHSA was approved at the Monday, January 8th City Council meeting.
Fishing Tournament scheduled for June, 2018
February 9th – Puttin on Pekin Breakfast – Katy is guess speaker

Adjourned at 4:40pm.

Next meeting – Tuesday, February 13th, 2018 at 4:00, Pekin City Hall

REQUEST FOR COUNCIL ACTION **To: Council Members** **Date: January 10, 2018** **From: Paula Gensel, Admin Asst.**
AGENDA ITEM: Enjoy Pekin Tourism Minutes 12/12/17
AGENDA DATE REQUESTED: February 26, 2018
REQUIRED SIGNATURES
Department Directors and City Staff: Date:
Finance Department (Certification of Availability of Funds)**:** Date:
City Manager: Date:

Enjoy Pekin – Tourism Committee Meeting
Tuesday, December 12th, 2017
City Hall – 4:00pm

MINUTES

Voting Members Present: Katy Shackelford, Tony Carson, Emily Lambe, Renna Hadsall and Lelonie Luft

1.0 Welcome

2.0 Approval of November 14, 2017 Minutes. Motion made by Emily, Seconded by Tony to approve the November 14, 2017 minutes. All in favor, motion passed.

3.0 Hospitality

- 3.1 Grant Applications:
  - 3.1.1 Winter Wonderland Parade: Renna made a motion to approve the grant in the amount of $394.62, seconded by Lelonie. All in favor, motion passed.
- 3.2 PACVB Updates: Christmas Special Wednesday, December 13, 2017. 5K Santa run was well attended. Christmas on Court had a great turnout. Weather was great. We need longer lasting T-lights for the luminaries next year. Gearing up for the new year.
- 3.3 Pekin Chamber Updates: Have openings for the Leadership Academy starting January 11th, 2018 through March 22, 2018. Applications are available on Pekin Area Chamber of Commerce web site. Renna also passed out applications. New hours for the Leadership Academy 8:00am to 10am Tuesday and Thursday.

4.0 Infrastructure:

- 4.1 Parking Wayfinding: will discuss at our January meeting.

4.2 Picnic Table: installed 4 picnic tables in the 500 block of Court. We had some vandalism done to the tables so we removed the picnic tables and will re-install in the Spring.

5.0 Promotion:

- 5.1 Best of Pekin Update: Very good feedback, with over 700 voting so far. Will get a list together for the top 3 and voting first 2 weeks in January. Will take to Council the second meeting in January (January 22, 2018). Will have an Awards Banquet on February 9th at the Putting' on Pekin breakfast.
- 5.2 Enjoy Pekin featurettes: Katy working on web site with updates, broken links, etc. Would like to start a blog, 2 articles a month, 300 words starting in January. Katy to start the first one with Ice Skating at the Pekin Park Lagoon. 2nd one Katy and Emily will work on Eagle

Watching. Would like for each article to get personal accounts from Pekinites.

5.3 Social Media Report: Courtney Psinas report. Katy has on email and will send to Tourism members.

6.0 Attraction:

6.1 Special Events Coordinator: Courtney will start this position first of January 2018 as an Independent Contractor. Will bring back the Farmers Market, Friday Fest, the event before the Marigold Festival. Will utilize Friday Nights downtown. Courtney will have a budget to use for these events. Will need to get sponsorships and volunteers. All fees and the Special Event process will still apply. Working with Bruce from PACVB has been a big asset for Pekin and what will work for Pekin.

6.2 Events:

6.2.1 New: Cabela's King Cat Fishing Tournament: $1,000 sponsorship was approved by Council for the June 16th, 2018 event. They are still out looking for Sponsorships. This could be an annual event.

6.2.2 Ongoing: Illinois Bicentennial: City of Pekin held a ceremony on Monday, December 4th out front of City Hall. We will be celebrating with activities all year long. December 3, 2018 will be our 200th year. Renna stated that there was a ceremony held at the same time at the Tazewell County Courthouse. Katy explained that all municipalities were to hold the ceremony at the same time. Jarod from the Pekin Library spoke on the 200 year history.

6.2.3 Recap: Christmas on Court: was received very well this year. Updates under the PACVB 3.2.

7.0 Other Business:

Discussion: Mid-year Recap and Goal Setting: Katy had a spreadsheet for everyone since June, 2017. Our fiscal year runs May 1 each year. Katy will present the next mid-year report before our fiscal year ends in 2018. Very informative information.

Adjourned at 4:55pm.

Next meeting – Tuesday, January 10, 2018 at 4:00, Pekin City Hall

REQUEST FOR COUNCIL ACTION

To: Council Members

Date: February 20, 2018

From: Katy Shackelford, City Planner

Katy Shackelford, City Planner

AGENDA ITEM: EDAC Minutes October 2017	
AGENDA DATE REQUESTED: February 26, 2018	
ACTION REQUESTED: Receive and File EDAC Minutes October 2017	
DESCRIPTION: EDAC Minutes October 2017	
FINANCIAL IMPACT:	
NEIGHBORHOOD CONCERNS:	
IMPACT IF APPROVED:	
IMPACT IF DENIED:	
ALTERNATIVES:	
RELATED TO EFFICIENCY STUDY:	
RELATIONSHIP TO THE CONCEPTUAL PLANNING PROCESS: [check no more than 2 boxes. Copy this check mark √ and paste it to the left of the relevant theme.]	
	A Prosperous Community. To promote and sustain a balanced economy that supports expansion and retention of family-wage jobs.
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	A Strong Foundation. To improve and maintain existing infrastructure and leverage opportunities for new infrastructure.
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	An Effective Government. To deliver effectively the services that Pekin's residents want, need, and are willing to support.

REQUIRED SIGNATURES
Department Directors and City Staff: Date:
Finance Department (Certification of Availability of Funds)**:** Date:
City Manager: Date:

ILLINOIS
Community. Opportunity. Home.

Economic Development Advisory Committee

Minutes

Thursday October 27, 2017

7:30 -8:30 a.m. City Council Chambers City Hall

Welcome

Roundtable Updates

- Danielle Owen, Pekin Community High School: The High School has been offering community tours. Mrs. Owens would like to see better attendance at those tours and said the school is happy to host any tours for interested groups in the area. Jan. 29, 2018 there will be a State of the District event held at the high school. There will be breakout sessions with students. Formal invitations will go out in December. The district would like to see this become an annual event.
- Mack Cakora, Tazewell Machine Works: Caterpillar suppliers update for non-engine facilities is looking positive.
- Tony Rolando, DCEO: EDGE Tax Credit has been reinstated but different that previous years. This week the GPEDC hosted Career Spark for 8th graders in the Tri-County area. Over 3500 students attended and explored 6-8 career clusters.
- Laurie Barra, Former Pekin Mayor: Just returned from San Diego. No report.
- John Abel (guest), Pekin City Councilman: Visiting today's meeting but recommends Council drop in on Committees whenever they can to learn more about the work going on. Mr. Abel Will present TRVDA to the group later in the meeting.
- Buster Hanley, Preston-Hanley Funeral Home: Attended the Chamber's Business Recognition luncheon. A goal is to elevate head of household business job in Pekin and fill the Riverway Business Park. Mr. Hanley recommended as the city looks to renegotiating contracts try to find ways to increase Pekin residency by offering bonuses for living within the City.
- Don Oldham, Pacific Ethanol (formerly ICP): ICP and Pacific Ethanol are still transitioning from the buy-out. PE does say they want to be a part of the community. Don is still committed to Career Spark and Specialize Manufacturing groups through GPEDC, but both events happened to fall during planned facility shut-downs this month.
- Andy Sparks, Pekin Community Bank: The $1.3 M Cardiac Cath Lab at Pekin Hospital has opened. Pekin Hospital continues to bring more doctors and offer more services. The

loan provided by the city helped finance this project and the loan has now been fully repaid.

- Bill Fleming, Pekin Chamber: Mr. Fleming reported that Ms. Owens's state of the district evolved from a marketing study and was one of the components to get the community into the school. Downtown Trick-or-Treat will be Saturday Oct. 28 from 10-2 in downtown Pekin. Mr. Fleming mentioned living local in a regional economic is a challenge. Leadership Academy will be launching again in January and 24 slots are available. Leadership Academy is an important tool to connect employees to the community.
- Gregg Ratliff, Dentsmart: The region is facing a challenging job market and heavy competition from other local communities for residents. Mr. Ratliff recommends EDAC work hard to educate the public and inform those about the exceptional school services in Pekin.
- Drew Lehman, Lehman Properties: The City's has been working with us on a landlord ordinance that will affect properties in Pekin. Lehman properties has hired a new commercial property manager. Commercial occupancy in Pekin has remained strong.

Spotlight

Spotlight: Illinois Treasury Incentive Programs, Tiffany White, State Rep. Unes Office

Ms. White presented Ag Invest, Charitable Trust, and the Community Uplift program offered by the IL Treasury Department. Ms. White reported these incentive programs and grants had been underutilized and could be taken advantage of by groups in Pekin. *Handouts for these program are available in the packet.*

Other Local, Regional, State Successes/Challenges

- Ms. Shackelford reported that the State has eliminated the IDOT Economic Development program that the City had been preparing to use for Front Street improvements. In addition, new budget changes have resulted in a smaller amount of MFT funding being redistributed back to their original jurisdictions. Many costs that had been the responsibility of the state have been pushed to the county and municipal level.

City of Pekin Updates

- Incentive Programs
  - TIF—No report
  - Enterprise Zone—Ms. Shackelford reported the Enterprise Zone Amendment had been approved as of October 5, 2017. This makes new land available for the incentive and the City anticipates a new hotel breaking ground in the spring.
  - USDA Rural Development Program--- Ms. Shackelford presented 4 USDA Rural Development Grant Programs in which the City of Pekin is eligible to apply. These programs include Business and Industry Loan Guarantees,

Intermediary Relending Program, Rural Business Development Grants, and the Rural Business Investment Program. *Program 101's can be reviewed in the packet.*

- TRVDA—Council Member Able shared an overview on the Tri-County River Valley Development Authority which has the ability to issue up to $350 million in double tax exempt bonds for economic development purposes. *Additional handouts are available in the packet.*
- Reports:
  - Gaming
  - Liquor/Gaming License Update

Special Projects/Updates

- Pekin Transportation Summit, *11/7/17*—Ms. Shackelford reported that the City is hosting a Transportation Summit at the Pekin Public Library from 4-6:30 on Tuesday November 7, 2017. Joining the city will be Tazewell County, CityLink, IDOT, Tri-County Regional Planning Commission, and Pekin Park Districts.

- Derby Street Corridor Study—Ms. Shackelford reported that a public engagement session for the Derby Street Corridor Study will be taking place the week of November 27. More information will follow as the event gets closer.

Next Meeting TBD

ADJOURNMENT (8:30)

REQUEST FOR COUNCIL ACTION

To: Council Members

Date: February 20, 2018

From: John Lebegue, Building & Inspections

AGENDA ITEM: Building Department Report - January 2018	
AGENDA DATE REQUESTED: February 26, 2018	
ACTION REQUESTED: Receive and File January 2018 Building Department Report	
DESCRIPTION: January 2018 Building Report	
FINANCIAL IMPACT: <Insert Financial Impact	
NEIGHBORHOOD CONCERNS: <Insert Concerns>	
IMPACT IF APPROVED: <Insert the impact if approved>>	
IMPACT IF DENIED: <Insert the impact if denied>	
ALTERNATIVES: <Insert Alternatives>	
RELATED TO EFFICIENCY STUDY: <Efficiency Study>	
RELATIONSHIP TO THE CONCEPTUAL PLANNING PROCESS: [check no more than 2 boxes. Copy this check mark √ and paste it to the left of the relevant theme.]	
	A Prosperous Community. To promote and sustain a balanced economy that supports expansion and retention of family-wage jobs.
	A Safe Community. To protect community life and property by providing effective, principled police and fire services.
	A Strong Foundation. To improve and maintain existing infrastructure and leverage opportunities for new infrastructure.
	A High Quality of Life. To support or provide services that improve the quality of life for Pekin's residents.
	An Effective Government. To deliver effectively the services that Pekin's residents want, need, and are willing to support.
REQUIRED SIGNATURES	

Department Directors and City Staff: Date:
Finance Department (Certification of Availability of Funds)**:** Date:
City Manager: Date:

January 2018

Cash Receipts

Receipt Listing by GL

User: berps
Printed: 02/20/2018 - 6:10 AM

City Of Pekin
111 S. Capitol
Pekin, IL 61554

Account Number / Receipt No	Void	Cust No	Name / Account Description	Receipt Date	Line Item Description	Amount
100-793-420500			Hvac License			
00480024	False	026313	Entec Services Inc	1/2/2018	HVAC License	100.00
00480209	False	026334	Spoon River Mechanical Services Inc	1/2/2018	HVAC License	100.00
00480210	False	026472	Solar Heating & Air Conditioning	1/2/2018	HVAC License	100.00
00480332	False	026515	Temco Heating & Air Conditioning In	1/2/2018	HVAC License	100.00
00480333	False	026602	Standard Heating & Cooling Inc	1/2/2018	HVAC License	100.00
00480334	False	026525	Wayne Mechanical	1/2/2018	HVAC License	100.00
00480336	False	026323	Precision Mechanical Services	1/2/2018	HVAC License	100.00
00480678	False	028066	Shaun Howard	1/2/2018	HVAC License	100.00
00480707	False	027970	Darrell Ehnle	1/2/2018	HVAC License	100.00
00484198	False	026333	Illinois Mechanical Service & Design	1/8/2018	HVAC License	100.00
00484211	False	026577	Heinold Heating & Air Conditioning I	1/8/2018	HVAC License	100.00
00484213	False	028609	Robert Chambers	1/8/2018	HVAC License	100.00
00484216	False	026605	Maquet Plumbing & Pipefitting/HVAC	1/8/2018	HVAC License	100.00
00484404	False	026545	Schuck Heating & Cooling	1/8/2018	HVAC License	100.00
00485379	False	026576	Precision Air Tech Inc	1/10/2018	HVAC License	100.00
00485459	False	026557	Tri-County Heating and Cooling	1/10/2018	HVAC License	100.00
00485478	False	028762	Albert Rowland	1/10/2018	HVAC License	100.00
00485488	False	025878	AAA Northgate One Hour Heating &	1/10/2018	HVAC License	100.00
00485493	False	026514	Kenneth A Dunn/HVAC	1/10/2018	HVAC License	100.00
00485499	False	026579	Fox Electric Service dba Fox Service	1/10/2018	HVAC License	100.00
00485513	False	026391	Vermillion Refrigeration	1/11/2018	HVAC License	100.00
00485514	False	026593	Jackson Heating & Air	1/11/2018	HVAC License	100.00
00485515	False	026314	Commercial Mechanical Inc	1/11/2018	HVAC License	100.00
00485940	False	027139	Curtis Minter	1/12/2018	HVAC License	100.00
00486703	False	025894	McCamy Heating & Air Conditioner	1/17/2018	HVAC License	100.00
00486706	False	026383	Dan Oltman	1/17/2018	HVAC License	100.00

Account Number / Receipt No	Void	Cust No	Name / Account Description	Receipt Date	Line Item Description		Amount
00486707	False	026517	Ruyle Mechanical Services Inc	1/17/2018	HVAC License		100.00
00486708	False	026474	William Masters Inc	1/17/2018	HVAC License		100.00
00486752	False	028045	Richard Freeman	1/18/2018	HVAC License		100.00
00487057	False	028766	Keith Kubicheck	1/19/2018	HVAC License		100.00
00487847	False	026536	A & A Air Conditioning & Heating	1/23/2018	HVAC License		100.00
					Fund: 100	**Total:**	**3,100.00**
100-793-420800			**Electrical Contractors License**				
00480717	False	026023	Antonini Electric	1/2/2018	Electrical License		100.00
00480718	False	026016	Fryman Electric	1/2/2018	Electrical License		100.00
00480729	False	025861	Fleming Electric Inc	1/2/2018	Electrical License		100.00
00484223	False	026616	RAM Electric	1/8/2018	Electrical License		100.00
00484228	False	026269	B & B Electric Inc	1/8/2018	Electrical License		100.00
00484229	False	026460	Stephens Electric Inc	1/8/2018	Electrical License		100.00
00484230	False	026395	Britton Electronics & Automation Inc	1/8/2018	Electrical License		100.00
00484231	False	026579	Fox Electric Service dba Fox Service	1/8/2018	Electrical License		100.00
00484248	False	026535	Schaefer Electric Inc	1/8/2018	Electrical License		100.00
00484264	False	026266	Advanced Electric Co	1/8/2018	Electrical License		100.00
00484403	False	026543	Kent & Susan Schuck Electric	1/8/2018	Electrical License		100.00
00485517	False	025867	Kaiser Electrical Contractors Inc	1/11/2018	Electrical License		100.00
00485518	False	026251	Boehm Electrical Contractors LLC	1/11/2018	Electrical License		100.00
00486709	False	026504	Kennell Electric Inc	1/17/2018	Electrical License		100.00
00487139	False	028768	James Knapp	1/19/2018	Electrical License		100.00
00488266	False	025866	Hollingsworth Electric	1/23/2018	Electrical License		100.00
00489823	True	026287	Peoria Electric and Inspection Compa	1/25/2018	Electrical License		100.00
00489829	True	028140	Marvin Sauder	1/25/2018	Electrical License		100.00
00490108	False	026287	Peoria Electric and Inspection Compa	1/26/2018	Electrical License		100.00
00490109	False	028140	Marvin Sauder	1/26/2018	Electrical License		100.00
00490200	False	025869	Laser Electric	1/26/2018	Electrical License		100.00
					Fund: 100	**Total:**	**2,100.00**
100-793-423000			**Home Occupation License**				
00480942	False	026690	Express Publishing	1/3/2018	Home Occupation		45.00
00484448	False	026451	Underwood Motorsports	1/8/2018	Home Occupation		45.00
00484453	False	026493	Chad & Kara Cutting/Graphic Design	1/8/2018	Home Occupation		45.00
00484454	False	028193	Micke Craft	1/8/2018	Home Occupation		45.00

Account Number / Receipt No	Void	Cust No	Name / Account Description	Receipt Date	Line Item Description		Amount
00484455	False	026492	The Clock Company Est 1993	1/8/2018	Home Occupation		45.00
00484456	False	026530	Cre8tive Glas LLC	1/8/2018	Home Occupation		45.00
00484483	False	026489	Jane Miller/Day Care	1/8/2018	Day Care Provider License		45.00
00486705	False	026531	Barbies's Playhouse	1/17/2018	Day Care Provider License		45.00
00486934	False	026495	Exsell Direct	1/18/2018	Home Occupation		45.00
					Fund: 100	**Total:**	**405.00**
100-793-425500			**Hvac Permit**				
00485395	False	000000	Tri County HVAC	1/10/2018	HVAC Permit		20.00
00485481	False	000000	Rowland Heating	1/10/2018	HVAC Permit		20.00
00485484	False	000000	Lindsey HVAC	1/10/2018	HVAC Permit		20.00
00485487	False	000000	Covenant Plumbing	1/10/2018	HVAC Permit		40.00
00485489	False	000000	Covenant Plumbing	1/10/2018	HVAC Permit		60.00
00485492	True	000000	Stuber HVAC	1/10/2018	HVAC Permit		40.00
00485495	False	000000	Stuber HVAC	1/10/2018	HVAC Permit		60.00
00485497	False	000000	Stuber HVAC	1/10/2018	HVAC Permit		40.00
00485498	False	000000	Stuber HVAC	1/10/2018	HVAC Permit		20.00
00485505	False	000000	Kalman Engineering	1/10/2018	HVAC Permit		20.00
00485506	False	000000	Standard Heating & Cooling	1/10/2018	HVAC Permit		40.00
00487136	False	000000	Refrigeration Services of IL	1/19/2018	HVAC Permit		395.00
00487152	False	000000	Stuber's Heating & Air	1/19/2018	HVAC Permit		60.00
00487153	False	000000	Stuber Heating & Air	1/19/2018	HVAC Permit		40.00
00487155	False	000000	Mucciante Heating & Cooling	1/19/2018	HVAC Permit		40.00
00489825	False	000000	Temco Heating & Air	1/25/2018	HVAC Permit		80.00
00489826	False	000000	Keller Heating Cooling	1/25/2018	HVAC Permit		80.00
00490083	False	000000	Covenant Heating & Air	1/25/2018	HVAC Permit		40.00
00492298	False	000000	Trouble Free Plumbing	1/31/2018	HVAC Permit		120.00
00492303	False	000000	Cordts Heating & Air	1/31/2018	HVAC Permit		40.00
00492309	False	000000	Cordts Heating & Air	1/31/2018	HVAC Permit		20.00
00492350	False	000000	The Pipco Companies	1/31/2018	HVAC Permit		120.00
					Fund: 100	**Total:**	**1,415.00**
100-793-425700			**Special Use Permit**				
00484144	False	026533	Cullinan Properties Ltd East Court Sh	1/8/2018	Special Use Permit		50.00
00484153	False	026532	Cullinan Properties Ltd dba East Cour	1/8/2018	Special Use Permit		50.00
00484399	False	026478	Rescued Heart Animal Hospital	1/8/2018	Special Use Permit		50.00

Account Number Receipt No	Void	Cust No	Account Description Name	Receipt Date	Line Item Description		Amount
00484400	False	026344	Walgreens #11493	1/8/2018	Special Use Permit		50.00
00484402	False	026319	IM Thiessen Holding LLC/Starbucks]	1/8/2018	Special Use Permit		50.00
00484638	False	026388	Epic Automotive Inc	1/8/2018	Special Use Permit		0.00
00484638	False	026388	Epic Automotive Inc	1/8/2018	Special Use Permit		0.00
00484679	False	026485	Tazewell County Childrens Advocacy	1/8/2018	Special Use Permit		50.00
00484680	False	026305	New Testament Missionary Baptist Cł	1/8/2018	Special Use Permit		50.00
00485067	False	028321	All Around Auto and Tire Care	1/9/2018	Special Use Permit		50.00
00486704	False	026325	Bridgeway Community Church of the	1/17/2018	Special Use Permit		50.00
					Fund: 100	**Total:**	**450.00**
100-793-426000			**Electrical Permits**				
00485502	False	000000	Schwartz Electric	1/10/2018	Electrical Permit		43.00
00487070	False	000000	Arnulfo Carranza	1/19/2018	Electrical Permit		43.00
00487071	False	000000	Keith Holeman	1/19/2018	Electrical Permit		31.00
00487150	False	000000	Kennell Electric	1/19/2018	Electrical Permit		43.00
00489813	False	000000	Peoria Electric	1/25/2018	Electrical Permit		43.00
00489846	False	000000	Schaefer Electric	1/25/2018	Electrical Permit		871.00
00490086	True	000000	360 Water Solutions	1/25/2018	Electrical Permit		43.00
00490111	False	000000	360 Water Solutions	1/26/2018	Electrical Permit		43.00
00490131	False	000000	Porter Electric	1/26/2018	Electrical Permit		43.00
00490163	False	000000	RAM Electric	1/26/2018	Electrical Permit		43.00
00492310	False	000000	Porter Electric	1/31/2018	Electrical Permit		43.00
00492317	False	000000	Zeller Electric	1/31/2018	Electrical Permit		43.00
00492346	False	000000	Schwartz Electric	1/31/2018	Electrical Permit		43.00
00492347	False	000000	Schwartz Electric	1/31/2018	Electrical Permit		43.00
00492348	False	000000	Laser Electric	1/31/2018	Electrical Permit		121.00
					Fund: 100	**Total:**	**1,539.00**
100-793-426400			**Building And Rezoning Permit**				
00481258	False	000000	Riverside Ext	1/3/2018	Building Rezoning Permits		40.00
00483515	False	000000	All Around Roofing	1/5/2018	Building Rezoning Permits		56.00
00485482	False	000000	Leandra Graves	1/10/2018	Building Rezoning Permits		20.00
00485490	False	000000	American Dream Home	1/10/2018	Building Rezoning Permits		124.00
00485491	False	000000	American Dream Home	1/10/2018	Building Rezoning Permits		133.00
00485501	False	000000	Eric McCann	1/10/2018	Building Rezoning Permits		705.00
00487071	False	000000	Keith Holeman	1/19/2018	Building Rezoning Permits		71.00

Account Number Receipt No	Void	Cust No	Name / Account Description	Receipt Date	Line Item Description	Amount
00487137	False	000000	Loberg Construction	1/19/2018	Building Rezoning Permits	2,135.00
00487139	False	028768	James Knapp	1/19/2018	Building Rezoning Permits	91.00
00487140	False	000000	A & B Construction	1/19/2018	Building Rezoning Permits	83.00
00487141	False	000000	Nick Will Do It Roofing	1/19/2018	Building Rezoning Permits	53.00
00487143	False	000000	A & B Construction	1/19/2018	Building Rezoning Permits	77.00
00487144	False	000000	Collins Roofing	1/19/2018	Building Rezoning Permits	154.00
00487146	False	000000	Collins Roofing	1/19/2018	Building Rezoning Permits	118.00
00487147	False	000000	Redeemed Roofing	1/19/2018	Building Rezoning Permits	56.00
00487151	False	000000	Tim Ricci	1/19/2018	Building Rezoning Permits	35.00
00487156	False	000000	Bayview Exteriors	1/19/2018	Building Rezoning Permits	74.00
00487160	False	000000	Menold Construction	1/19/2018	Building Rezoning Permits	329.00
00487246	False	000000	Dave Williams	1/19/2018	Building Rezoning Permits	50.00
00489816	False	000000	Schwartz Electric	1/25/2018	Building Rezoning Permits	129.00
00489818	False	000000	Perfect Choice Exteriors	1/25/2018	Building Rezoning Permits	119.00
00489822	False	000000	Shannon Hart	1/25/2018	Building Rezoning Permits	99.00
00489828	False	000000	A1 Quality Construction	1/25/2018	Building Rezoning Permits	154.00
00489830	False	000000	American Dream Home	1/25/2018	Building Rezoning Permits	77.00
00489844	False	000000	Perfect Choice Exteriors	1/25/2018	Building Rezoning Permits	35.00
00489845	False	000000	SignsMatter	1/25/2018	Building Rezoning Permits	29.00
00490397	False	000000	Arnulfo Carranza	1/29/2018	Building Rezoning Permits	20.00
00490704	False	000000	Teri Williams	1/30/2018	Building Rezoning Permits	46.00
00490839	False	000000	Dennis Electric	1/30/2018	Building Rezoning Permits	86.00
00490952	False	000000	Keegan Contracting	1/30/2018	Building Rezoning Permits	20.00
00492312	False	000000	Antonini Brothers	1/31/2018	Building Rezoning Permits	77.00
00492322	False	000000	All American Windows & Doors	1/31/2018	Building Rezoning Permits	53.00
00492328	False	000000	Kalman Engineering	1/31/2018	Building Rezoning Permits	111.00
00492349	False	000000	Sun Valley Partners	1/31/2018	Building Rezoning Permits	40.00
00492351	False	000000	Midwest Property Maintenance	1/31/2018	Building Rezoning Permits	506.00
					Fund: 100 Total:	**6,005.00**
100-793-451200			**Plumbing Permits**			
00485485	False	000000	Tazewell Plumbing	1/10/2018	Plumbing Inspections	25.00
00485486	False	000000	Covenant Plumbing	1/10/2018	Plumbing Inspections	20.00
00485503	False	000000	Tazewell Plumbing	1/10/2018	Plumbing Inspections	20.00
00485504	False	000000	Tazewell Plumbing	1/10/2018	Plumbing Inspections	40.00
00487071	False	000000	Keith Holeman	1/19/2018	Plumbing Inspections	68.00

Account Number / Receipt No	Void	Cust No	Account Description / Name	Receipt Date	Line Item Description		Amount
00487154	False	000000	Lloyd Orrick	1/19/2018	Plumbing Inspections		25.00
00488751	False	000000	Tucker Plumbing	1/24/2018	Plumbing Inspections		175.00
00489819	False	000000	Reading & Son Plumbing	1/25/2018	Plumbing Inspections		80.00
00489821	False	000000	Reading & Son Plumbing	1/25/2018	Plumbing Inspections		55.00
00489824	False	000000	C.L. O'Brien and Co.	1/25/2018	Plumbing Inspections		106.00
00490084	False	000000	Covenant Heating & Air	1/25/2018	Plumbing Inspections		20.00
00490085	False	000000	Ogborn Plumbing	1/25/2018	Plumbing Inspections		25.00
00492336	False	000000	Tazewell Plumbing	1/31/2018	Plumbing Inspections		40.00
					Fund: 100	**Total:**	**699.00**
100-793-499800			**Miscellaneous Receipts**				
00485473	False	000000	Ronald Bell	1/10/2018	Misc Receipts		75.00
00487149	False	000000	Jeff Romel	1/19/2018	Misc Receipts		100.00
					Fund: 100	**Total:**	**175.00**
						Report Totals:	**15,888.00**

Code Enforcement Citations by Type

Printed: 2/1/2018

Code Identifier	Code Descriptor	Code Identifier
		1
R.105.1 I.R.C	Permits required for work	6
6-2-5-1B	Nuisances/ Creating & maintaining	4
9-10B-3b	Parking regulations front yard setback	11
9-12-3	Illegal Business Occupancy	2
P.M 108.1.1 I.P.M.	Unsafe structure	3
P.M.108.1.1	Structure fire	1
Sec. 301.1 property	Property maintenance violation	8
Sec. 4-11-2	Rental property not registered	1
Sec. 4-2-6-1	Right-of-way obstructions	5
Sec. 5-1A-3-3	No approved garbage container	2
Sec. 5-1A-3-3-D3	Placement of litter containers	1
Sec. 5-2A-2	Oversized items	3

Code Enforcement Citations by Type

Code Identifier	Code Descriptor	Code Identifier
Sec. 5-3-4	Junk cars	13

Code Identifier	Code Descriptor	Code Identifier
Sec. 6-2-5-1	Junk and debris	17

Code Identifier	Code Descriptor	Code Identifier
Sec. 9-10B-1	Off street parking	15

Code Identifier	Code Descriptor	Code Identifier
Sec. 9-10B-1-1	Vehicle displayed for sale	1

REQUEST FOR COUNCIL ACTION

To: Council Members

Date: February 14, 2018

From: Sarah Newcomb, Human Resources Dir

Angie Evans, Finance/Accounting Contact

AGENDA ITEM: GASB 73 Actuarial Valution OPEB	
AGENDA DATE REQUESTED: February 26, 2018	
ACTION REQUESTED: Receive and File Nyhart OPEB report 4/30/2017	
DESCRIPTION: Receive and file the OPEB actuarial valuation based on post employment benefits for fiscal year ending 4/303/2017	
FINANCIAL IMPACT: OPEB is reflected in annual audit	
NEIGHBORHOOD CONCERNS: <Insert Concerns>	
IMPACT IF APPROVED:	
IMPACT IF DENIED:	
ALTERNATIVES:	
RELATED TO EFFICIENCY STUDY: recommended to have official OPEB valuation completed.	
RELATIONSHIP TO THE CONCEPTUAL PLANNING PROCESS: [check no more than 2 boxes. Copy this check mark √ and paste it to the left of the relevant theme.]	
	A Prosperous Community. To promote and sustain a balanced economy that supports expansion and retention of family-wage jobs.
	A Safe Community. To protect community life and property by providing effective, principled police and fire services.
	A Strong Foundation. To improve and maintain existing infrastructure and leverage opportunities for new infrastructure.
	A High Quality of Life. To support or provide services that improve the quality of life for Pekin's residents.

√	**An Effective Government.** To deliver effectively the services that Pekin's residents want, need, and are willing to support.
REQUIRED SIGNATURES	
Department Directors and City Staff: Date:	
Finance Department (Certification of Availability of Funds)**:** Date:	
City Manager: Date:	

nyhart

GASB 75 ACTUARIAL VALUATION

Fiscal Year Ending April 30, 2017

City of Pekin

Nyhart Actuary & Employee Benefits
8415 Allison Pointe Blvd., Ste. 300, Indianapolis, IN 46250
(317) 845-3500 – www.nyhart.com

Table of Contents

nyhart

November 3, 2017

Sarah Newcomb
City of Pekin
555 Liberty Street SE
Salem, OR 97301

This report summarizes the GASB actuarial valuation for the City of Pekin 2016/17 fiscal year. To the best of our knowledge, the report presents a fair position of the funded status of the plan in accordance with GASB Statement No. 75 (Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions).

The information presented herein is based on the actuarial assumptions and substantive plan provisions summarized in this report and participant information furnished to us by the Plan Sponsor. We have reviewed the employee census provided by the Plan Sponsor for reasonableness when compared to the prior information provided but have not audited the information at the source, and therefore do not accept responsibility for the accuracy or the completeness of the data on which the information is based. When relevant data may be missing, we may have made assumptions we feel are neutral or conservative to the purpose of the measurement. We are not aware of any significant issues with and have relied on the data provided.

The discount rate, other economic assumptions, and demographic assumptions have been selected by the Plan Sponsor with the concurrence of Nyhart. In our opinion, the actuarial assumptions are individually reasonable and in combination represent our estimate of anticipated experience of the Plan. All calculations have been made in accordance with generally accepted actuarial principles and practice.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following:

- plan experience differing from that anticipated by the economic or demographic assumptions;
- changes in economic or demographic assumptions;
- increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); and
- changes in plan provisions or applicable law.

We did not perform an analysis of the potential range of future measurements due to the limited scope of our engagement.

To our knowledge, there have been no significant events prior to the current year's measurement date or as of the date of this report that could materially affect the results contained herein.

Neither Nyhart nor any of its employees has any relationship with the plan or its sponsor that could impair or appear to impair the objectivity of this report. Our professional work is in full compliance with the American Academy of Actuaries "Code of Professional Conduct" Precept 7 regarding conflict of interest. The undersigned meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Should you have any questions please do not hesitate to contact us.

Randy Gomez, FSA, MAAA
Consulting Actuary

Audra Mardis, ASA, MAAA
Valuation Actuary

Summary of Results

Presented below is the summary of GASB 75 results for the fiscal year ending April 30, 2017.

		As of April 30, 2017
Total OPEB Liability	$	27,243,053
Actuarial Value of Assets	$	0
Net OPEB Liability	$	27,243,053
Funded Ratio		0.0%

		FY 2016/17
OPEB Expense	$	2,133,119
Annual Employer Contribution	$	764,408

	As of April 30, 2017
Discount Rate	3.82%
Expected Return on Assets	N/A

	As of April 30, 2017
Total Active Participants	188
Total Retiree Participants	49

The active participants' number above may include active employees who currently have no health care coverage. Refer to Summary of Participants section for an accurate breakdown of active employees with and without coverage.

Below is a breakdown of total GASB 75 liabilities allocated to past and current service compared to the prior year. The table below also provides a breakdown of the Total OPEB Liability allocated to pre and post Medicare eligibility. The liability shown below includes explicit (if any) and implicit subsidies. Refer to the Substantive Plan Provisions section for complete information on the Plan Sponsor's GASB subsidies.

Present Value of Future Benefits		*As of April 30, 2017*
Active Employees	$	32,563,107
Retired Employees		10,106,008
Total Present Value of Future Benefits	**$**	**42,669,115**

Total OPEB Liability		*As of April 30, 2017*
Active Pre-Medicare	$	16,887,408
Active Post-Medicare		249,637
Active Liability	$	17,137,045
Retiree Pre-Medicare	$	7,557,976
Retiree Post-Medicare		2,548,032
Retiree Liability	$	10,106,008
Total OPEB Liability	**$**	**27,243,053**

	As of April 30, 2017
Discount Rate	3.82%

Present Value of Future Benefits (PVFB) is the amount needed as of April 30, 2017, to fully fund the City's retiree health care subsidies for existing and future retirees and their dependents assuming all actuarial assumptions are met.

Total OPEB Liability is the portion of PVFB considered to be accrued or earned as of April 30, 2017. This amount is a required disclosure in the Required Supplementary Information section.

Schedule of Changes in Net OPEB Liability and Related Ratios

OPEB Liability		FY 2016/17
Total OPEB Liability		
Total OPEB liability – beginning of year	$	27,392,828
Service cost		1,388,111
Interest		896,857
Changes of benefit terms		0
Changes in assumptions		(1,670,335)
Differences between expected and actual experience		0
Benefit payments		(764,408)
Net change in total OPEB liability	$	(149,775)
Total OPEB liability – end of year	$	27,243,053
Plan Fiduciary Net Position		
Plan fiduciary net position – beginning of year	$	0
Contributions – employer		764,408
Contributions – retired members		0
Net investment income		0
Benefit payments		(764,408)
Trust administrative expenses		0
Net change in plan fiduciary net position	$	0
Plan fiduciary net position – end of year	$	0
Net OPEB Liability – end of year	$	27,243,053
Plan fiduciary net position as % of total OPEB liability		0.0%
Covered employee payroll	$	12,846,107
Net OPEB liability as % of covered payroll		212.1%

OPEB Expense

OPEB Expense		*FY 2016/17*
Discount Rate as of beginning of the fiscal year		3.32%
Discount Rate as of the end of the fiscal year		3.82%
Service cost	$	1,388,111
Interest		896,857
Changes of benefit terms		0
Projected earnings on OPEB plan investments		0
Reduction for contributions from active employees		0
OPEB plan administrative expenses		0
Current period recognition of deferred outflows / (inflows) of resources		
Differences between expected and actual experience	$	0
Changes in assumptions		(151,849)
Net difference between projected and actual earnings on OPEB plan investments		0
Total current period recognition	$	(151,849)
Total OPEB expense	$	2,133,119

Deferred Outflows / (Inflows) of Resources

Deferred Outflows / (Inflows) of Resources represents the following items that have not been recognized in the OPEB Expense:

1. Differences between expected and actual experience of the OPEB plan
2. Changes of assumptions
3. Difference between projected an actual earnings in OPEB plan investments

The initial amortization period for the first two items noted above is based on the average future service to retirement while the difference between projected and actual earnings in OPEB plan investment is amortized over five years. All balances are amortized linearly on a principal only basis and new bases will be created annually for each of the item above.

Differences between expected and actual experience for FYE	*Initial Balance*	*Initial Amortization Period*	*Annual Recognition*	*Unamortized Balance as of April 30, 2017*
April 30, 2017	$ 0	10	$ 0	$ 0

Changes in assumptions for FYE	*Initial Balance*	*Initial Amortization Period*	*Annual Recognition*	*Unamortized Balance as of April 30, 2017*
April 30, 2017	$ (1,670,335)	11	$ (151,849)	$ (1,518,486)

Net difference between projected and actual earnings in OPEB plan investments for FYE	*Initial Balance*	*Initial Amortization Period*	*Annual Recognition*	*Unamortized Balance as of April 30, 2017*
April 30, 2017	$ 0	N/A	$ 0	$ 0

As of fiscal year ending April 30, 2017	*Deferred Outflows*	*Deferred Inflows*
Differences between expected and actual experience	$ 0	$ 0
Changes in assumptions	0	(1,518,486)
Net difference between projected and actual earnings in OPEB plan investments	0	0
Total	**$ 0**	**$ (1,518,486)**

Deferred Outflows / (Inflows) of Resources – Continued

Annual Amortization of Deferred Outflows / (Inflows)

The balances of April 30, 2017 of the deferred outflows / (inflows) of resources will be recognized in OPEB expense in the future fiscal years as noted below.

FYE	Balance	
2018	$	(151,849)
2019	$	(151,849)
2020	$	(151,849)
2021	$	(151,849)
2022	$	(151,849)
Thereafter	$	(759,241)

Sensitivity Results

The following presents the net OPEB liability as of April 30, 2017, calculated using the discount rate assumed and what it would be using a 1% higher and 1% lower discount rate.

- The current discount rate is 3.82%.
- The 1% decrease in discount rate would be 2.82%.
- The 1% increase in discount rate would be 4.82%.

As of April 30, 2017	Net OPEB Liability	
1% Decrease	$	30,752,656
Current Discount Rate	$	27,243,053
1% Increase	$	24,322,665

The following presents the net OPEB liability as of April 30, 2017, using the health care trend rates assumed and what it would be using 1% higher and 1% lower health care trend rates.

- The current health care trend rate starts at actual levels in 2017 then 8.50% in 2018 decreasing by 0.50% annually to an ultimate rate of 5.00%.
- The 1% decrease in health care trend rates would assume 1% lower than actual levels in 2017 then 7.50% in 2018 decreasing by 0.50% annually to an ultimate rate of 4.00%.
- The 1% increase in health care trend rates would assume 1% higher than actual levels in 2017 then 9.50% in 2018 decreasing by 0.50% annually to an ultimate rate of 6.00%.

As of April 30, 2017	Net OPEB Liability	
1% Decrease	$	23,819,099
Current Health Care Trend Rates	$	27,243,053
1% Increase	$	31,452,439

The Total OPEB Liability (TOL) is expected to change on an annual basis as a result of expected and unexpected events. Under normal circumstances, it is generally expected to have a net increase each year. Below is a list of the most common events affecting the total OPEB liability and whether they increase or decrease the liability.

Expected Events

- Increases in TOL due to additional benefit accruals as employees continue to earn service each year
- Increases in TOL due to interest as the employees and retirees age
- Decreases in TOL due to benefit payments

Unexpected Events

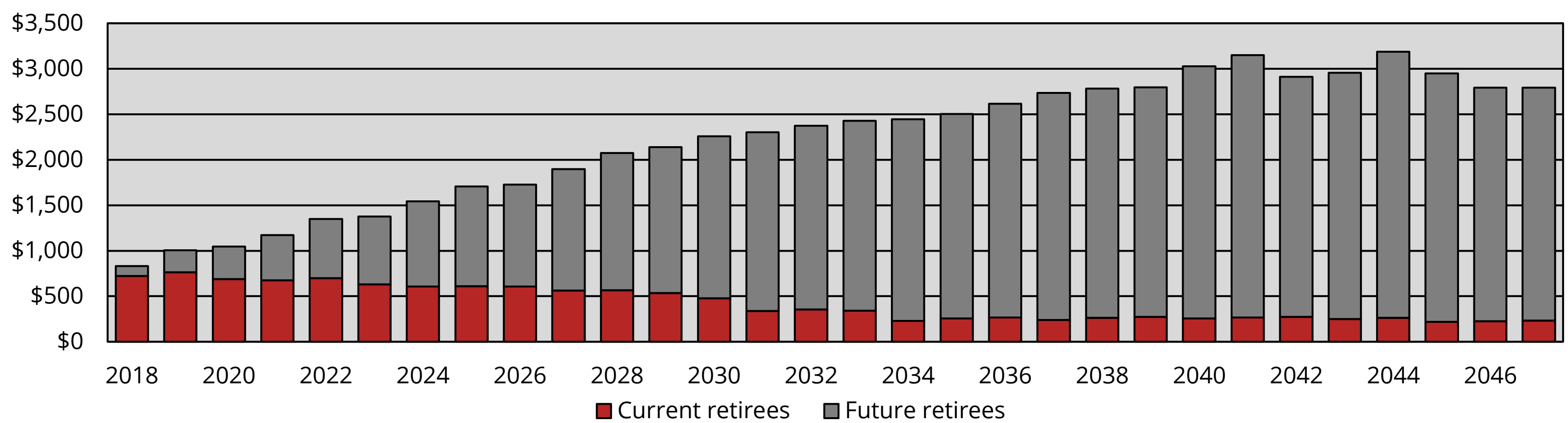
- Increases in TOL when actual premium rates increase more than expected. A liability decrease occurs of the reverse happens.
- Increases in TOL when more new retirements occur than expected or fewer terminations occur than anticipated. Liability decreases occur when the opposite outcomes happen.
- Increases or decreases in TOL depending on whether benefits are improved or reduced.

Projection of Total OPEB Liability		*FY 2016/17*		*FY 2017/18*
Total OPEB Liability as of beginning of year	$	27,392,828	$	27,243,053
Normal cost as of beginning of year		1,343,507		1,273,954
Expected benefit payments during the year		(764,408)		(833,205)
Interest adjustment to end of year		941,461		1,073,585
Expected Actuarial Accrued Liability as of end of year	$	28,913,388	$	28,757,387
Actuarial Loss/(Gain)		(1,670,335)		TBD
Actual Total OPEB Liability as of end of year	**$**	**27,243,053**	**$**	**TBD**

The below projections show the actuarially estimated employer-paid contributions for retiree health benefits for the next thirty years. Results are shown separately for a closed group of current /future retirees. These projections include explicit and implicit subsidies.

FYE	Current Retirees	Future Retirees[1]	Total
2018	$ 722,813	$ 110,392	$ 833,205
2019	$ 764,203	$ 242,691	$ 1,006,894
2020	$ 689,152	$ 358,518	$ 1,047,670
2021	$ 675,708	$ 495,398	$ 1,171,106
2022	$ 699,750	$ 649,446	$ 1,349,196
2023	$ 630,527	$ 744,499	$ 1,375,026
2024	$ 607,687	$ 935,587	$ 1,543,274
2025	$ 609,648	$ 1,096,801	$ 1,706,449
2026	$ 607,463	$ 1,120,793	$ 1,728,256
2027	$ 561,868	$ 1,336,793	$ 1,898,661
2028	$ 564,660	$ 1,508,430	$ 2,073,090
2029	$ 537,174	$ 1,600,297	$ 2,137,471
2030	$ 477,762	$ 1,780,035	$ 2,257,797
2031	$ 337,719	$ 1,962,853	$ 2,300,572
2032	$ 355,287	$ 2,018,279	$ 2,373,566
2033	$ 342,101	$ 2,084,812	$ 2,426,913
2034	$ 227,600	$ 2,215,978	$ 2,443,578
2035	$ 257,078	$ 2,245,137	$ 2,502,215
2036	$ 267,200	$ 2,349,016	$ 2,616,216
2037	$ 239,941	$ 2,493,796	$ 2,733,737
2038	$ 262,272	$ 2,518,580	$ 2,780,852
2039	$ 273,741	$ 2,522,679	$ 2,796,420
2040	$ 254,683	$ 2,772,076	$ 3,026,759
2041	$ 265,692	$ 2,883,059	$ 3,148,751
2042	$ 273,517	$ 2,639,293	$ 2,912,810
2043	$ 250,461	$ 2,706,939	$ 2,957,400
2044	$ 262,476	$ 2,923,453	$ 3,185,929
2045	$ 218,777	$ 2,730,200	$ 2,948,977
2046	$ 224,947	$ 2,566,928	$ 2,791,875
2047	$ 231,370	$ 2,561,215	$ 2,792,585

Projected Employer Pay-go Cost

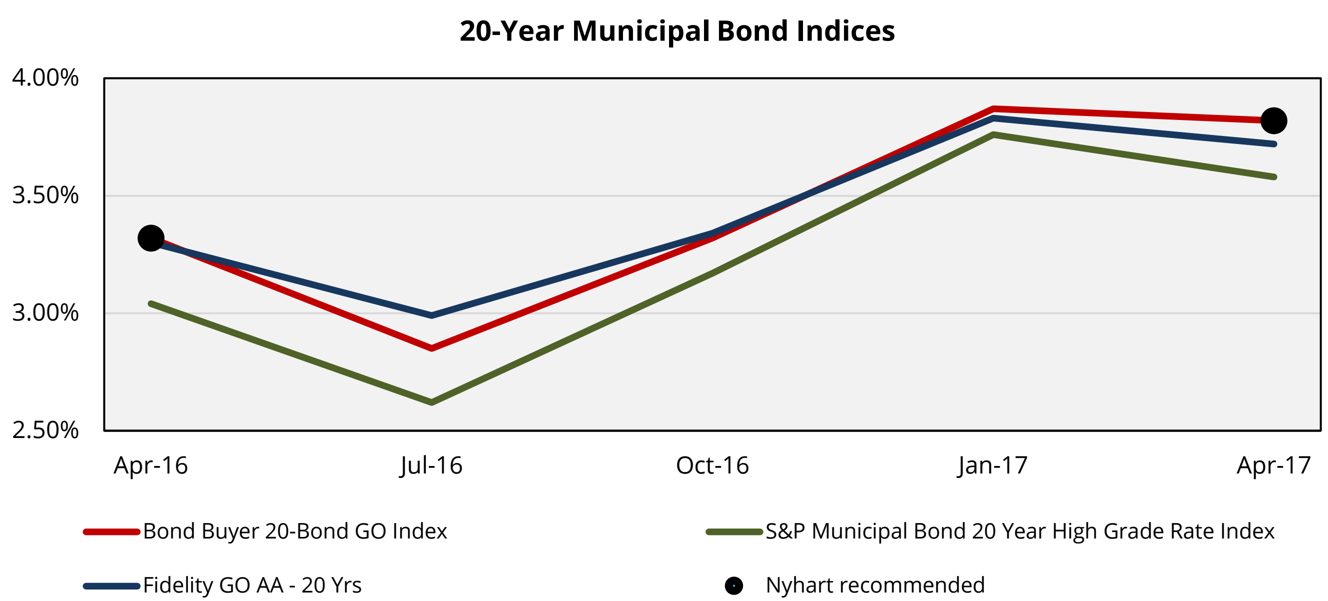


[1] Projections for future retirees do not take into account future new hires.

Under GASB 75, the discount rate used in valuing OPEB liabilities for unfunded plans as of the Measurement Date must be based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA /Aa or higher (or equivalent quality on another rating scale).

For the current valuation, the discount rate was selected from the range of indices as shown in the table below, where the range is given as the spread between the lowest and highest rate shown.

	Bond Buyer 11-Bond GO Index	S&P Municipal Bond 20-Year High Grade Rate Index	Fidelity 20-Year Go Municipal Bond Index	Nyhart Recommendation	Actual Discount Rate Used
Yield as of May 1, 2016	3.32%	3.04%	3.30%	3.04% - 3.32%	**3.32%**
Yield as of July 31, 2016	2.85%	2.62%	2.99%	2.62% - 2.99%	
Yield as of October 31, 2016	3.32%	3.17%	3.34%	3.17% - 3.34%	
Yield as of January 31, 2017	3.87%	3.76%	3.83%	3.76% - 3.87%	
Yield as of April 30, 2017	3.82%	3.58%	3.72%	3.58% - 3.82%	**3.82%**



Actives with coverage	*Single*	*Non-Single[2]*	*Total*	*Avg. Age*	*Avg. Svc*	*Salary*
Plan A	42	141	183	44.1	12.2	$ 12,545,272
Total actives with coverage	**42**	**141**	**183**	**44.1**	**12.2**	**$ 12,545,272**

Actives without coverage[3]	*Single*	*Non-Single[2]*	*Total*	*Avg. Age*	*Avg. Svc*	*Salary*
Total actives without coverage			**5**	**38.9**	**0.1**	**$ 300,835**

Active Age-Service Distribution

	Years of Service										
Age	*< 1*	*1 to 4*	*5 to 9*	*10 to 14*	*15 to 19*	*20 to 24*	*25 to 29*	*30 to 34*	*35 to 39*	*40 & up*	*Total*
Under 25	2	2									**4**
25 to 29	3	10	1								**14**
30 to 34	4	9	12	3							**28**
35 to 39	1	1	9	12	5						**28**
40 to 44	1	3	6	4	9	5					**28**
45 to 49	2	1	2	9	5	6	2				**27**
50 to 54	2	3	2	3	4	7	5				**26**
55 to 59	2	4	3	2	1	5	4				**21**
60 to 64			1	2		3	1	1	1		**9**
65 to 69			1				1				**2**
70 & up		1									**1**
Total	**17**	**34**	**37**	**35**	**24**	**26**	**13**	**1**	**1**	**0**	**188**

[2] Non-single enrollment includes participants electing employee plus spouse and family coverage levels.
[3] Actives without coverage are assumed not to elect coverage at retirement. They have been excluded from this GASB valuation.

Attachment: Pekin 043017 GASB 75 Report (1330 : GASB 73 Actuarial Valution OPEB)

Retirees with coverage	Single	Non-Single[4]	Total	Avg. Age
Plan A	13	36	49	61.3
Total retirees with coverage	**13**	**36**	**49**	**61.3**

Retiree Age Distribution

Age	Retirees
< 45	2
45 to 49	1
50 to 54	8
55 to 59	9
60 to 64	14
65 to 69	10
70 to 74	3
75 to 79	0
80 to 84	1
85 to 89	1
90 & up	0
Total	**49**

[4] Non-single enrollment includes participants electing employee plus spouse and family coverage levels.

Eligibility

All employees are eligible for subsidized retiree health care coverage until Medicare eligibility once they meet the following eligibility requirements for Illinois Municipal Retirement Fund (IMRF) or Sheriff's Law Enforcement Personnel (SLEP) pension benefits.

General Employees – Tier 1

Eligibility for general employees who became IMRF members prior to January 1, 2011 are the earlier of:

1. Age 60 with 8 years or service
2. Age 55 with 35 years of service
3. Age 55 with 8 years of service (early retirement with reduced benefit)

General Employees – Tier 2

Eligibility for general employees who became IMRF members on/after January 1, 2011 are the earlier of:

1. Age 67 with 10 years of service
2. Age 62 with 35 years of service
3. Age 62 with 10 years of service (early retirement with reduced benefit)

Police / Fire – Tier 1

Eligibility requirement for police and fire employees who became SLEP members prior to January 1, 2011 is attainment of age 50 with 20 years of service.

Police / Fire – Tier 2

Eligibility requirement for police and fire employees who became SLEP members on/after January 1, 2011 is:

1. Age 50 with 10 years of service (early retirement with reduced benefit)
2. Age 55 with 10 years of service

PSEBA/PEDA

PSEBA and PEDA retirees are eligible for subsidized coverage for life by the City.

Spouse Benefit

Surviving spouse of retirees and active employees eligible to retire are allowed to remain on the plan until Medicare eligibility by paying half of the employee plus spouse rate.

Surviving spouses of active employees who have not met retirement eligibility requirements are allowed to remain on the plan for 5 years if the employee had used in network coverage exclusively for 24 months prior to death.

Surviving spouses of active police or fire employees who died in the line of duty after one year of service are allowed to remain on the plan for life or until remarriage. They are eligible for benefits under PSEBA.

Disability Benefit

Police and Fire employees are eligible for benefits under PSEBA/PEDA if they are disabled or die in the line of duty.

Explicit Subsidy

The City of Pekin pays 50% of the full premium.

The above explicit subsidy policy does not apply to PSEBA/PEDA retirees, who are eligible for free coverage for life.

Retiree Cost Sharing

Retirees are responsible for the portion of premium rates not covered by the City's explicit subsidy. The monthly retiree contributions effective on October 1, 2016 and 2017 are as shown below:

	Eff. 10/1/2016		Eff. 10/1/2017	
Plan	**EE**	**EE + Sp**	**EE**	**EE + Sp**
Plan A	$ 393.33	$ 813.48	$ 442.17	$ 878.17

Medical Benefit

Same benefits are available to retirees as active employees. The health plan is fully-insured through the Central States Health and Welfare Fund. The City's premium equivalent rates include dental and vision coverage. Monthly premiums effective on October 1, 2016 and 2017 are as shown below:

	Eff. 10/1/2016		Eff. 10/1/2017	
Plan	**EE**	**EE + Sp**	**EE**	**EE + Sp**
Plan A	$ 786.66	$ 1,626.96	$ 884.33	$ 1,756.33

The actuarial assumptions used in this report represent a reasonable long-term expectation of future OPEB outcomes. As national economic and City experience change over time, the assumptions will be tested for ongoing reasonableness and, if necessary, updated.

We expect to update discount rate, health care trend rates, mortality rates, and per capita costs in the next full GASB valuation, which will be for the fiscal year ending April 30, 2019.

Measurement Date April 30, 2017

Discount Rate 3.32% as of May 1, 2016; 3.82% as of April 30, 2017
Refer to the Discussion of Discount Rates section for more information on selection of the discount rate.

Payroll Growth 3.50% for general wage inflation plus merit and productivity increases which are based on those used in the Illinois Municipal Retirement Fund (IMRF) actuarial valuation as of December 31, 2016. Sample annual salary increases for merit and productivity are as shown below:

YOS	Police/Fire
0	11.0%
5	2.5%
10	7.5%
15+	0.5%

	General					
Age	0	1	2	3	4	5+
25	7.0%	5.5%	3.3%	2.5%	2.0%	2.0%
35	7.0%	5.5%	3.3%	2.5%	2.0%	1.2%
45	7.0%	5.5%	3.3%	2.5%	2.0%	0.7%
55	7.0%	5.5%	3.3%	2.5%	2.0%	0.4%
60+	7.0%	5.5%	3.3%	2.5%	2.0%	0.3%

Inflation Rate 3.50% per year

Employer Funding Policy Pay-as-you-go cash basis

Experience Study

Best actuarial practices call for a periodic assumption review and Nyhart recommends the City to complete an actuarial assumption review (also referred to as an experience study) before the next full valuation for fiscal year ending April 30, 2019. The City has never performed an experience study.

Cost Method

Allocation of Actuarial Present Value of Future Benefits for services prior and after the Measurement Date was determined using Entry Age Normal Level % of Salary method where:

- Service Cost for each individual participant, payable from date of employment to date of retirement, is sufficient to pay for the participant's benefit at retirement; and
- Annual Service Cost is a constant percentage of the participant's salary that is assumed to increase according to the Payroll Growth.

Census Data

Census information was provided by the City as of October 2017. We have reviewed it for reasonableness and no material modifications were made.

Health Care Coverage Election Rate

Active employee with current coverage: 100% will elect coverage at retirement
Active employees with no coverage: 0% will elect coverage at retirement

Inactive employees with current coverage: 100%
Inactive employees with no coverage: 0%

Spousal Coverage

75% of males and females are assumed to be married at retirement for future retirees. Spouse election for current retirees is based on actual data.

Husbands are assumed to be three years older than wives.

Mortality

RPH-2016 Total Dataset Mortality Table fully generational using Scale MP-2016 (RPH-2016 table is created based on RPH-2014 Total Dataset Mortality Table with 8 years of MP-2014 mortality improvement backed out, projected to 2016 using MP-2016 improvement.)

Disability

Disability rates for police/fire and general employees are based off the rates used in the IMRF actuarial valuation as of December 31, 2016. Sample disability rates are as shown below:

	General		Police/Fire	
Age	**Male**	**Female**	**Male**	**Female**
20	0.00%	0.00%	0.01%	0.02%
30	0.01%	0.00%	0.02%	0.05%
40	0.02%	0.01%	0.04%	0.10%
50	0.05%	0.03%	0.08%	0.21%
60	0.10%	0.07%	0.11%	0.27%
70	0.09%	0.07%	0.04%	0.11%
80+	0.06%	0.04%	0.00%	0.00%

Health Care Trend Rates

FYE	Rates	FYE	Rates
2018	*	2023	6.5%
2019	8.5%	2024	6.0%
2020	8.0%	2025	5.5%
2021	7.5%	2026+	5.0%
2022	7.0%		

The initial trend rate was based on a combination of employer history, national trend surveys, and professional judgment.

The ultimate trend rate was selected based on historical medical CPI information.

* Set to actual premium increase from October 1, 2016 to October 1, 2017

Retiree Contributions

Retiree contributions are assumed to increase according to health care trend rates.

Turnover Rate

Assumption used to project annual terminations (voluntary and involuntary) prior to meeting minimum retirement eligibility for retiree health coverage. The rates represent the probability of termination in the next 12 months and they are based on the IMRF actuarial valuation as of December 31, 2016, adjusted for historical City experience.

General Male

Age	0	2	4	6	8+
25	36.75%	21.75%	14.25%	10.50%	7.35%
35	36.75%	21.75%	14.25%	10.50%	4.77%
45	36.75%	21.75%	14.25%	10.50%	3.90%
50	36.75%	21.75%	14.25%	10.50%	3.24%
52+	36.75%	21.75%	14.25%	10.50%	2.85%

General Female

Age	0	2	4	6	8+
25	43.50%	25.50%	16.50%	11.25%	9.30%
35	43.50%	25.50%	16.50%	11.25%	7.65%
45	43.50%	25.50%	16.50%	11.25%	4.98%
50	43.50%	25.50%	16.50%	11.25%	4.26%
52+	43.50%	25.50%	16.50%	11.25%	3.90%

Police/Fire

Age	0	1	3	5	7+
30	27.00%	15.00%	9.00%	5.25%	3.30%
40	27.00%	15.00%	9.00%	5.25%	2.25%
50	27.00%	15.00%	9.00%	5.25%	2.25%
60+	27.00%	15.00%	9.00%	5.25%	2.10%

Retirement Rate

Sample annual retirement rates by group are as shown below. The rates below are based on the IMRF actuarial valuation as of December 31, 2016, adjusted for historical City experience.

	Gen Tier I Male		Gen Tier I Female	
Age	**<35 YOS**	**35+ YOS**	**<35 YOS**	**35+ YOS**
55	10.9%	49.5%	8.6%	40.5%
65	37.5%	37.5%	37.5%	37.5%
75	30.0%	30.0%	30.0%	30.0%
80+	100.0%	100.0%	100.0%	100.0%

General Tier II Male

Age	10	20	30	35+
62	22.5%	22.5%	22.5%	100.0%
65	22.5%	22.5%	22.5%	100.0%
70	30.0%	30.0%	75.0%	100.0%
75	27.0%	27.0%	75.0%	100.0%
80+	100.0%	100.0%	100.0%	100.0%

General Tier II Female

Age	10	20	30	35+
62	19.5%	19.5%	19.5%	100.0%
65	19.5%	19.5%	19.5%	100.0%
70	27.0%	27.0%	75.0%	100.0%
75	27.0%	27.0%	75.0%	100.0%
80+	100.0%	100.0%	100.0%	100.0%

	PF Tier I		PF Tier II	
Age	**<32 YOS**	**32+ YOS**	**<30 YOS**	**30+ YOS**
50	34.5%	34.5%	18.0%	18.0%
55	34.5%	34.5%	90.0%	100.0%
60	12.0%	12.0%	12.0%	82.5%
65	34.5%	34.5%	34.5%	82.5%
70	100.0%	100.0%	100.0%	100.0%

Per Capita Costs

Annual per capita costs were calculated based on the City's monthly premium rates effective on October 1, 2016 actuarially increased using health index factors and current enrollment. The costs are assumed to increase with medical / rx trend rates. Sample annual per capita costs are as shown below:

Age	Male	Female
< 55	$ 10,900	$ 12,400
55 – 59	$ 14,700	$ 14,300
60 – 64	$ 20,000	$ 17,600
65 – 69	$ 6,000	$ 6,000
70 – 74	$ 7,400	$ 7,400
75+	$ 8,700	$ 8,700

The per capita costs represent the cost of coverage for a retiree-only population.

Actuarial standards require the recognition of higher inherent costs for a retired population versus an active population.

Explicit Subsidy

The difference between (a) the premium rate and (b) the retiree contribution. Below is an example of the monthly explicit subsidies for a future non-PSEBA/PEDA retiree electing coverage with the City.

	Premium Rate	Retiree Contribution	Explicit Subsidy
	A	B	C = A – B
Retiree	$ 786.66	$ 393.33	$ 393.33
Spouse	$ 840.30	$ 420.15	$ 420.15

Implicit Subsidy

The difference between (a) the per capita cost and (b) the premium rate. Below is an example of the monthly implicit subsidies for a future male non-PSEBA/PEDA retiree age 64 with spouse of the same age electing coverage with the City.

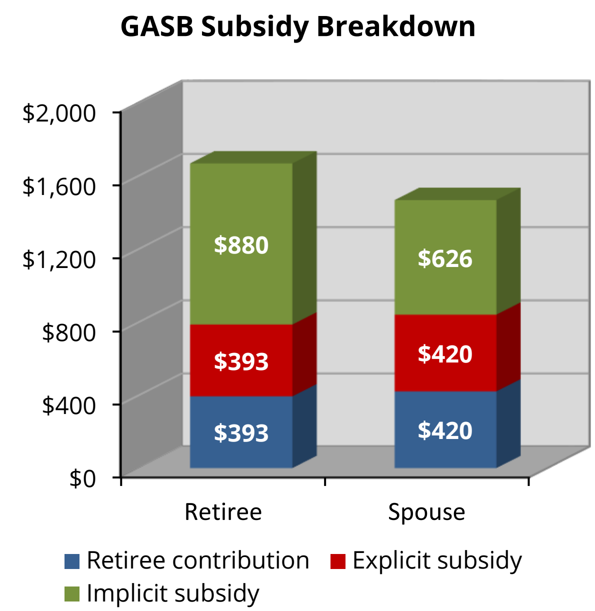
	Per Capita Cost	Premium Rate	Implicit Subsidy
	A	B	C = A – B
Retiree	$ 1,666.67	$ 786.66	$ 880.01
Spouse	$ 1,466.67	$ 840.30	$ 626.37

All employers that utilize premium rates based on blended active/retiree claims experience will have an implicit subsidy. There is an exception for Medicare plans using a true community-rated premium rate.

GASB Subsidy Breakdown

Below is a breakdown of the GASB 75 monthly total cost for a future male non-PSEBA/PEDA retiree age 64 with spouse of the same age electing coverage with the City.

	Retiree	Spouse
Retiree contribution	$ 393.33	$ 420.15
Explicit subsidy	$ 393.33	$ 420.15
Implicit subsidy	$ 880.01	$ 626.37
Total monthly cost	$ 1,666.67	$ 1,466.67



APPENDIX

Appendix A – Comparison of Participant Demographic Information

The active participants' number below may include active employees who currently have no health care coverage. Refer to Summary of Participants section for an accurate breakdown of active employees with and without coverage.

	As of April 30, 2017
Active Participants	188
Retired Participants	49
Averages for Active	
Age	43.9
Service	11.9
Averages for Inactive	
Age	61.3

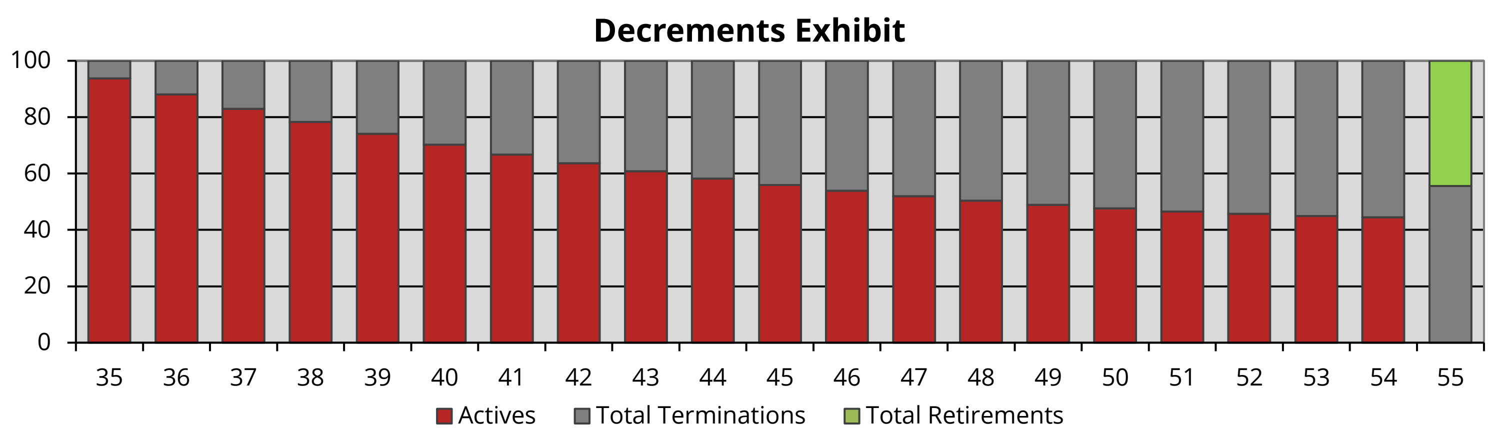
GLOSSARY

Decrements Exhibit

The table below illustrates how actuarial assumptions can affect a long-term projection of future liabilities. Starting with 100 employees at age 35, the illustrated actuarial assumptions show that 44.430 employees out of the original 100 are expected to retire and could elect retiree health benefits at age 55.

Age	# Remaining Employees	# of Terminations per Year*	# of Retirements per Year*	Total Decrements
35	100.000	6.276	0.000	6.276
36	93.724	5.677	0.000	5.677
37	88.047	5.136	0.000	5.136
38	82.911	4.648	0.000	4.648
39	78.262	4.209	0.000	4.209
40	74.053	3.814	0.000	3.814
41	70.239	3.456	0.000	3.456
42	66.783	3.131	0.000	3.131
43	63.652	2.835	0.000	2.835
44	60.817	2.564	0.000	2.564
45	58.253	2.316	0.000	2.316

Age	# Remaining Employees	# of Terminations per Year*	# of Retirements per Year*	Total Decrements
46	55.938	2.085	0.000	2.085
47	53.853	1.866	0.000	1.866
48	51.987	1.656	0.000	1.656
49	50.331	1.452	0.000	1.452
50	48.880	1.253	0.000	1.253
51	47.627	1.060	0.000	1.060
52	46.567	0.877	0.000	0.877
53	45.690	0.707	0.000	0.707
54	44.983	0.553	0.000	0.553
55	44.430	0.000	44.430	44.430

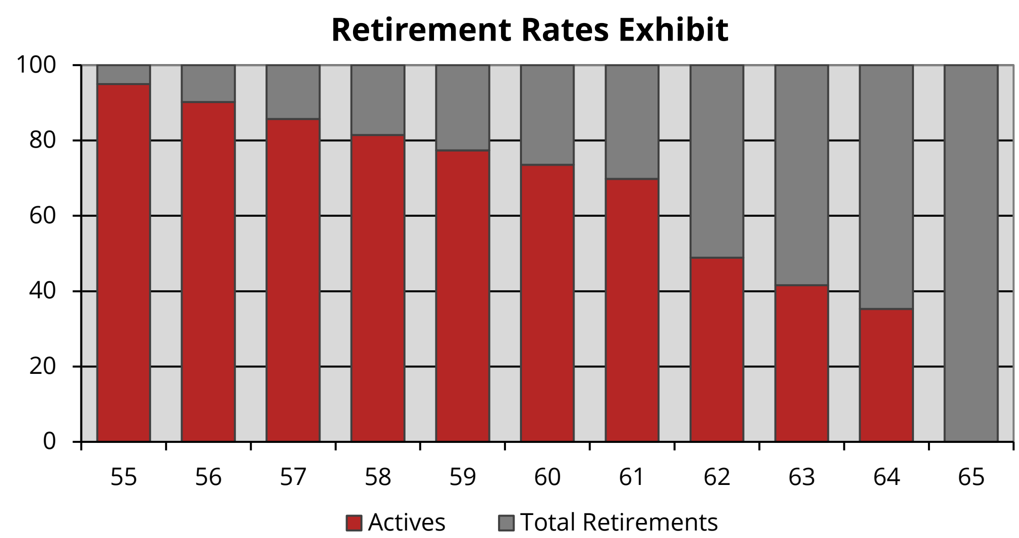


* The above rates are illustrative rates and are not used in our GASB calculations.

Retirement Rates Exhibit

The table below illustrates how actuarial assumptions can affect a long-term projection of future liabilities. The illustrated retirement rates show the number of employees who are assumed to retire annually based on 100 employees age 55 who are eligible for retiree health care coverage. The average age at retirement is 62.0.

Age	Active Employees BOY	Annual Retirement Rates*	# Retirements per Year	Active Employees EOY
55	100.000	5.0%	5.000	95.000
56	95.000	5.0%	4.750	90.250
57	90.250	5.0%	4.513	85.738
58	85.738	5.0%	4.287	81.451
59	81.451	5.0%	4.073	77.378
60	77.378	5.0%	3.869	73.509
61	73.509	5.0%	3.675	69.834
62	69.834	30.0%	20.950	48.884
63	48.884	15.0%	7.333	41.551
64	41.551	15.0%	6.233	35.318
65	35.318	100.0%	35.318	0.000



* The above rates are illustrative rates and are not used in our GASB calculations.

Definitions

GASB 75 defines several unique terms not commonly employed in the funding of pension and retiree health plans. The definitions of the terms used in the GASB actuarial valuations are noted below.

1. **Actuarial Assumptions** – Assumptions as to the occurrence of future events affecting health care costs, such as: mortality, withdrawal, disablement and retirement; changes in compensation and Government provided health care benefits; rates of investment earnings and asset appreciation or depreciation; procedures used to determine the Actuarial Value of Assets; characteristics of future entrants for Open Group Actuarial Cost Methods; and other relevant items.

2. **Actuarial Cost Method** – A procedure for determining the Actuarial Present Value of Future Benefits and expenses and for developing an actuarially equivalent allocation of such value to time periods, usually in the form of a Service Cost and a Total OPEB Liability.

3. **Actuarially Determined Contribution** - A target or recommended contribution to a defined benefit OPEB plan for the reporting period, determined in accordance with the parameters and in conformity with Actuarial Standards of Practice.

4. **Actuarial Present Value** – The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of Actuarial Assumptions. For purposes of this standard, each such amount or series of amounts is:
    a. adjusted for the probable financial effect of certain intervening events (such as changes in compensation levels, Social Security, marital status, etc.);
    b. multiplied by the probability of the occurrence of an event (such as survival, death, disability, termination of employment, etc.) on which the payment is conditioned; and
    c. discounted according to an assumed rate (or rates) of return to reflect the time value of money.

5. **Deferred Outflow / (Inflow) of Resources** – represents the following items that have not been recognized in the OPEB Expense:
    a. Differences between expected and actual experience of the OPEB plan
    b. Changes in assumptions
    c. Differences between projected and actual earnings in OPEB plan investments (for funded plans only)

6. **Explicit Subsidy** – The difference between (a) the amounts required to be contributed by the retirees based on the premium rates and (b) actual cash contribution made by the employer.

7. **Funded Ratio** – The actuarial value of assets expressed as a percentage of the Total OPEB Liability.

Definitions – Continued

8. **Healthcare Cost Trend Rate** – The rate of change in the per capita health claims costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design, and technological developments.

9. **Implicit Subsidy** – In an experience-rated healthcare plan that includes both active employees and retirees with blended premium rates for all plan members, the difference between (a) the age-adjusted premiums approximating claim costs for retirees in the group (which, because of the effect of age on claim costs, generally will be higher than the blended premium rates for all group members) and (b) the amounts required to be contributed by the retirees.

10. **OPEB** – Benefits (such as death benefits, life insurance, disability, and long-term care) that are paid in the period after employment and that are provided separately from a pension plan, as well as healthcare benefits paid in the period after employment, regardless of the manner in which they are provided. OPEB does not include termination benefits or termination payments for sick leave.

11. **OPEB Expense** – Changes in the Net OPEB Liability in the current reporting period, which includes Service Cost, interest cost, changes of benefit terms, expected earnings on OPEB Plan investments, reduction of active employees' contributions, OPEB plan administrative expenses, and current period recognition of Deferred Outflows / (Inflows) of Resources.

12. **Pay-as-you-go** – A method of financing a benefit plan under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments and expenses becoming due.

13. **Per Capita Costs** – The current cost of providing postretirement health care benefits for one year at each age from the youngest age to the oldest age at which plan participants are expected to receive benefits under the plan.

14. **Present Value of Future Benefits** – Total projected benefits include all benefits estimated to be payable to plan members (retirees and beneficiaries, terminated employees entitled to benefits but not yet receiving them, and current active members) as a result of their service through the valuation date and their expected future service. The actuarial present value of total projected benefits as of the valuation date is the present value of the cost to finance benefits payable in the future, discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment. Expressed another way, it is the amount that would have to be invested on the valuation date so that the amount invested plus investment earnings will provide sufficient assets to pay total projected benefits when due.

15. **Real Rate of Return** – the rate of return on an investment after adjustment to eliminate inflation.

Definitions – Continued

16. **Select and Ultimate Rates** – Actuarial assumptions that contemplate different rates for successive years. Instead of a single assumed rate with respect to, for example, the investment return assumption, the actuary may apply different rates for the early years of a projection and a single rate for all subsequent years. For example, if an actuary applies an assumed investment return of 8% for year 20W0, then 7.5% for 20W1, and 7% for 20W2 and thereafter, then 8% and 7.5% select rates, and 7% is the ultimate rate.

17. **Service Cost** – The portion of the Actuarial Present Value of projected benefit payments that are attributed to a valuation year by the Actuarial Cost Method.

18. **Substantive Plan** – The terms of an OPEB plan as understood by the employer(s) and plan members.

19. **Total OPEB Liability** – That portion, as determined by a particular Actuarial Cost Method, of the Actuarial Present Value of Future Benefits which is attributed to past periods of employee service (or not provided for by the future Service Costs).

REQUEST FOR COUNCIL ACTION **To: Council Members** **Date: February 21, 2018** **From: Sue McMillan, City Clerk** **Sue McMillan, City Clerk**
AGENDA ITEM: Appointment Charity Gullett ZBA
AGENDA DATE REQUESTED: February 26, 2018
ACTION REQUESTED: Adopt Resolution No. 80-17/18
REQUIRED SIGNATURES
Department Directors and City Staff: Date:
Finance Department (Certification of Availability of Funds)**:** Date:
City Manager: Date:

Resolution No. 80-17/18 Mayor's Appointment of Charity Gullett to the Zoning Board of Appeals

____
MAYOR

ATTEST:

____
CITY CLERK

RESOLUTION NO. 80-17/18

PEKIN, ILLINOIS, February 26, 2018

RESOLUTION BY COMMISSIONER

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF PEKIN, ILLINOIS, THAT:
the Mayor's appointment of Charity Gullett to the Zoning Board of Appeals
to fill the unexpired term of Brandon Dentino until May 31, 2019

1602 Matilda
Pekin, Il 61554

SIGNED BY
MAYOR.

REQUEST FOR COUNCIL ACTION

To: Council Members

Date: February 21, 2018

From: Nicole Stewart, Deputy Clerk

Nicole Stewart, Deputy Clerk

AGENDA ITEM: Audit FY 16-17
AGENDA DATE REQUESTED: February 26, 2018
ACTION REQUESTED: Receive and File Annual Financial Statements ending April 30, 2017 prepared by Willock Warning & Co., P.C.
REQUIRED SIGNATURES
Department Directors and City Staff: Date:
Finance Department (Certification of Availability of Funds)**:** Date:
City Manager: Date:

CITY OF PEKIN, ILLINOIS

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED APRIL 30, 2017

CITY OF PEKIN, ILLINOIS
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2017

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CITY OF PEKIN, ILLINOIS
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2017

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WILLOCK WARNING & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

23 OLT AVENUE
PEKIN, ILLINOIS 61554

TELEPHONE (309) 347-3152
FAX (309) 347-3153

INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Pekin, Illinois

Report on the Financial Statements
We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Pekin, Illinois, as of and for the year ended April 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Pekin, Illinois, as of April 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter-Adoption of New Standard

During fiscal year ended April 30, 2017, the City of Pekin, Illinois adopted GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. As a result of the implementation of this standard, the City of Pekin, Illinois reported restatements for the change in accounting principle (see Note 16). Our auditor's opinions were not modified with respect to the restatements.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, schedules of changes in employer's net pension liability and related ratios, schedules of funding progress, schedules of employer contributions, schedule of investment returns, and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Pekin, Illinois' basic financial statements. The combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the combining and individual nonmajor fund financial statements and schedules listed in the table of contents are fairly stated in all material respects in relation to the basic financial statements as a whole.

The statistical sections have not been subjected to the auditing procedures applied in the audit in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 29, 2017 on our consideration of the City of Pekin, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering City of Pekin, Illinois' internal control over financial reporting and compliance.

Willock Warning + Co, PC

Willock Warning & Co., PC
Pekin, Illinois
November 29, 2017

CITY OF PEKIN, ILLINOIS
MANAGEMENT'S DISCUSSIONS AND ANALYSIS
APRIL 30, 2017

As management of the City of Pekin, Illinois, we offer readers of these financial statements this narrative overview and analysis of the City of Pekin's financial position and activity as of the fiscal year ending April 30, 2017. Please read in conjunction with the City's financial statements, which follow this section.

THE STATEMENT OF NET ASSETS AND THE STATEMENT OF FUND ACTIVITIES
The City's financial statements present two kinds of statements, each with a different snapshot of the finances. The focus of the financial statements is on both the City as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance the City's accountability.

Government-Wide Financial Statements
The government-wide financial statements are designed to provide the readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on the City's assets, liabilities, and deferred outflows and inflows of resources with the differences between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flow. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, streets, library, tourism, and development. The business-type activities of the City include school bus operations, sewerage and solid waste systems, airport operations, and economic development.

The government-wide financial statements include not only the City itself (known as the primary government) but also the Tazewell/Pekin Consolidated Communications Center ("T/PCCC"). The City provides the majority of funding and provides office space and accounting services to T/PCCC. Because T/PCCC is a component unit, their financial information is reported separately from the financial information of the City.

Fund Financial Statements
A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be categorized into one of the three types of funds: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains eight individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Library Fund, and TIF 1 Central Business District Fund which are considered to be "major" funds. Data from the other five governmental funds is provided in the form of combining statements else where in this report.

The City adopts an annual budget for each governmental fund. Budgetary comparison statements have been prepared to demonstrate compliance with each budget.

Proprietary Funds

The City maintains two types of proprietary funds: enterprise and internal service. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. As of April 30, 2017, the City maintained five enterprise funds. Internal service funds are used to report the same functions presented as governmental-type activities in the government-wide financial statements. The City maintains two internal service funds. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the various funds. Data from the five enterprise funds and data from the two internal service funds are each combined into two aggregated presentations respectively.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The fiduciary funds of the City are the police and fire pension trust funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees and budget to actual information for the General Fund and Major Special Revenue Funds.

The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds and internal service funds are presented immediately following the notes to the required supplementary information.

CITY OF PEKIN, ILLINOIS
MANAGEMENT'S DISCUSSIONS AND ANALYSIS (continued)
APRIL 30, 2017

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Government-Wide Statements Net Position

The following information reflects the condensed Statements of Net Position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	4/30/17	4/30/16	4/30/17	4/30/16	4/30/17	4/30/16
Current and other assets	$ 18,277,490	$ 24,352,089	$ 15,141,293	$ 6,716,547	$ 33,418,783	$ 31,068,636
Capital assets	72,146,866	68,178,553	58,740,359	60,947,624	130,887,225	129,126,177
Deferred outflows	11,750,143	15,171,721	-	-	11,750,143	15,171,721
Total assets and deferred outflows	$ 102,174,499	$ 107,702,363	$ 73,881,652	$ 67,664,171	$ 176,056,151	$ 175,366,534
Current liabilities	$ 2,076,795	$ 1,905,655	$ 3,453,820	$ 2,793,225	$ 5,530,615	$ 4,698,880
Long-term liabilities	103,395,302	80,082,515	47,189,898	43,715,623	150,585,200	123,798,138
Deferred inflows	9,009,648	3,925,477	-	-	9,009,648	3,925,477
Total liabilities and deferred inflows	$ 114,481,745	$ 85,913,647	$ 50,643,718	$ 46,508,848	$ 165,125,463	$ 132,422,495
Net position:						
Net investment in capital assets	$ 64,790,607	$ 60,020,226	$ 8,520,519	$ 17,155,500	$ 73,311,126	$ 77,175,726
Restricted	9,009,411	9,714,400	-	-	9,099,411	9,714,400
Unrestricted	(86,197,264)	(47,945,910)	14,717,415	3,999,823	(71,479,849)	(43,946,087)
Total net position	$ (12,397,246)	$ 21,788,716	$ 23,237,934	$ 21,155,323	$ 10,930,688	$ 42,944,039

The City's combined net position decreased from $42.9 million to $10.9 million during fiscal year 2017. This is a reduction of $32 million in net position. $29 million of that reduction is a result of recognizing the net liability and deferred inflows of the City's other post-employment benefits and restating net position at the beginning of the fiscal year, pursuant to reporting requirements of the Governmental Accounting Standards Board. The remaining decrease in net position relates to changes in the net pension obligations and their related deferred inflows and outflows and the operation activities of fiscal year 2017.

CITY OF PEKIN, ILLINOIS
MANAGEMENT'S DISCUSSIONS AND ANALYSIS (continued)
APRIL 30, 2017

Government-Wide Statement of Activities

The following information summarizes the revenues and expenses of the City's activities:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	4/30/17	4/30/16	4/30/17	4/30/16	4/30/17	4/30/16
Revenues:						
Program revenues:						
Charges for services	$ 1,795,855	$ 1,837,193	$ 14,964,600	$ 11,433,929	$ 16,760,455	$ 13,271,122
Operating grants and contributions	194,454	89,899	-	-	194,454	89,899
Capital grants and contributions	371,280	263,246	81,432	172,832	452,712	436,078
General revenues:						
Property taxes	6,706,046	6,712,476	-	-	6,706,046	6,712,476
Sales taxes	11,974,700	11,424,847	-	-	11,974,700	11,424,847
Other taxes	6,919,324	7,127,834	-	-	6,919,324	7,127,834
Franchise fees	580,029	546,983	-	-	580,029	546,983
Investment earnings	107,228	181,753	326,138	185,965	433,366	367,718
Other	157,471	90,722	-	-	157,471	90,722
Transfers	1,117,052	168,858	(1,117,052)	(168,585)	-	-
Total revenues	29,923,439	28,443,811	14,255,118	11,624,141	44,178,557	40,067,679
Expenses:						
General government	2,887,493	2,535,078	-	-	2,887,493	2,535,078
Planning and development/zoning	764,374	1,706,745	-	-	764,374	1,706,745
Public safety	25,144,314	19,206,193	-	-	25,144,314	19,206,193
Public works/lands	1,158,285	1,177,375	-	-	1,158,285	1,177,375
Library services	1,480,985	1,399,769	-	-	1,480,985	1,399,769
Debt service interest	332,365	429,793	-	-	332,365	429,793
Streets	3,271,985	3,705,090	-	-	3,271,985	3,705,090
Tourism	52,776	302,389	-	-	52,776	302,389
Improvements/donations	255,108	268,174	-	-	255,108	268,174
School bus	-	-	4,498,859	4,108,183	4,498,859	4,108,183
Sewerage	-	-	4,767,514	4,686,018	4,767,514	4,686,018
Other	-	-	2,906,166	2,961,057	2,906,166	2,961,057
Total expenses	35,347,685	30,730,606	12,172,539	11,755,258	47,520,224	42,485,864
Change in net position	(5,424,246)	(2,287,068)	2,082,579	(131,117)	(3,341,667)	(2,418,185)
Net position, beginning of year, as restated	(6,883,000)	24,075,784	21,155,323	21,286,440	14,272,323	45,362,224
Net position, end of year	$ (12,307,246)	$ 21,788,716	$ 23,237,902	$ 21,155,323	$ 10,930,656	$ 42,944,039

The increase in charges for services in the business-type activities was from the School Bus Fund ($1.0 million), Sewerage Fund ($2.3 million), and the Solid Waste Fund ($.3 million). In the governmental activities, tax revenues increased $.33 million.

CITY OF PEKIN, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
APRIL 30, 2017

The chart below discloses cost of services for governmental activities. The total cost of services column contains all costs related to the programs and the net cost column shows how much of the total amount is not covered by program revenues. Simply put, net costs are costs that must be covered by local taxes or other general revenues or transfers.

GOVERNMENTAL ACTIVITIES

Programs	Total Cost of Services April 30, 2017	Net Cost of Services April 30, 2017	Total Cost of Services April 30, 2016	Net Cost of Services April 30, 2016
General government	$ 2,887,493	$ 2,672,275	$ 2,535,078	$ 2,273,164
Planning and development/zoning	764,374	590,837	1,706,745	1,477,601
Public safety	25,144,314	23,980,834	19,206,193	18,047,298
Public works/lands	1,158,285	970,723	1,177,375	992,158
Library	1,480,985	1,384,419	1,399,769	1,330,738
Debt service interest	332,365	332,365	429,793	429,793
Streets	3,271,985	3,118,039	3,705,090	3,682,199
Tourism	52,776	52,776	302,389	302,389
Improvements/donations	255,108	(116,172)	268,174	4,928
Total	$ 35,347,685	$ 32,986,096	$ 30,730,606	$ 28,540,268

Net cost of services for fiscal year 2017 rose to 93.3% of total cost of services compared to 92.9% for fiscal year 2016.

The following chart shows a comparison of the revenues received during the years ending April 30, 2017 and 2016.

CITY OF PEKIN GOVERNMENTAL ACTIVITIES REVENUE COMPARISON

Revenues	April 30, 2017	April 30, 2016	Increase (Decrease)	Percent Change
Property tax	$ 6,706,046	$ 6,712,476	$ (6,430)	-0.01%
Corporate replacement tax	1,475,526	1,328,824	146,702	11.04%
State income tax	3,214,649	3,487,366	(272,717)	-7.82%
State sales/use/gaming taxes	6,618,876	6,030,482	588,394	9.76%
Local sales tax	4,055,960	4,026,071	29,889	0.74%
Local food/beverage/liquor tax	1,299,864	1,368,294	(68,430)	-5.00%
Telecommunications tax	678,928	730,488	(51,560)	-7.06%
Motor fuel taxes	1,395,507	1,402,910	(7,403)	-0.53%
Motel tax	154,714	178,246	(23,532)	-13.20%
Franchise fees	580,029	546,983	33,046	6.04%
Interest on investments	107,228	181,753	(74,525)	-41.00%
Other	157,471	90,722	66,749	73.58%
Total	$ 26,444,798	$ 26,084,615	$ 360,183	1.38%

Total business-type activities operating revenues for the fiscal years 2017 and 2016 were $12,172,539 and $11,433,929 respectively. Business-type activities increased the City's net position by $2,082,579.

CITY OF PEKIN, ILLINOIS
MANAGEMENT'S DISCUSSIONS AND ANALYSIS (continued)
APRIL 30, 2017

The following chart shows the difference in the General Fund budget between fiscal years 2017and 2016.

GENERAL FUND BUDGET COMPARISON

Program	April 30, 2017	April 30, 2016	Increase (Decrease)	Percent Change
Administrative	$ 396,789	$ 292,702	$ 104,087	35.56%
Legal services	285,000	280,000	5,000	1.79%
City clerk	188,219	187,151	1,068	.57%
Finance/treasurer	375,821	524,108	(148,287)	-28.29%
Personnel	125,421	124,579	842	0.68%
Information technology	615,006	624,209	(9,203)	-1.47%
Streets	4,196,479	4,009,032	187,447	4.68%
Police	10,882,417	10,222,050	660,367	6.46%
Fire	9,338,662	10,119,067	(780,405)	-7.71%
Public works	365,093	372,545	(7,452)	-2.00%
Zoning and inspection	822,443	584,446	237,997	40.72%
Public land and buildings	723,246	690,829	32,417	4.69%
Non-departmental	1,088,450	700,925	387,525	55.29%
Total general fund budget	$ 29,403,046	$ 28,731,643	$ 671,403	2.34%

As more fully explained in Schedule 1 of the financial statements, actual expenditures for fiscal year 2017 were less than the budget by $2,563,731. Fiscal year 2016 actual expenditures were less than the budget by $2,581,385.

CAPITAL ASSETS

The following schedule reflects the City's capital asset balances at April 30, 2017.

CAPITAL ASSETS

	Governmental Activities		Business-Type Activities		Total	
	4/30/17	4/30/16	4/30/17	4/30/16	4/30/17	4/30/16
Nondepreciable assets:						
Land	$ 14,168,932	$ 14,168,932	$ 249,884	$ 249,884	$ 14,418,816	$ 14,418,816
Depreciable assets:						
Buildings	18,093,912	17,924,952	1,483,379	1,483,378	19,577,291	19,408,330
Infrastructure	48,418,116	43,579,151	-	-	48,418,116	43,579,151
Land improvements	-	-	1,075,618	1,075,618	1,075,618	1,075,618
Machinery/Equipment	4,707,211	4,513,059	74,223,924	74,163,178	78,931,135	78,676,237
Vehicles	10,363,017	10,771,555	2,666,604	2,666,604	13,029,621	13,438,159
Library books	2,443,410	2,321,765	-	-	2,443,410	2,321,765
Total depreciable assets	84,025,666	79,110,482	79,449,525	79,388,778	163,475,191	158,499,260
Accumulated depreciation	(26,047,732)	(25,100,861)	(20,959,050)	(19,331,054)	(47,006,782)	(44,431,915)
Net depreciable assets	57,977,934	54,009,621	58,490,475	60,057,724	116,468,409	114,067,345
Total capital assets	$ 72,146,866	$ 68,178,553	$ 58,740,359	$ 60,307,608	$ 130,887,225	$ 128,486,161

CITY OF PEKIN, ILLINOIS
MANAGEMENT'S DISCUSSIONS AND ANALYSIS (continued)
APRIL 30, 2017

Major capital expenditures in fiscal year 2017 included:
- Governmental activities:
  - Buildings - $186K (Library)
  - Infrastructure - $5.4M (Veterans Drive project)
  - Machinery and Equipment - $26K (Fire); $40K (Library); $105K (Police);
  - Vehicles-$7K (Fire); $191K (Police); $22K (Inspections)
- Business-type activities:
  - Machinery and Equipment- $51K (Sewerage); $10K (Airport)

LONG-TERM DEBT

The City had outstanding long-term debt of $57,576,099 at April 30, 2017. The debt is comprised of general obligation bonds, loans from the Illinois EPA, and promissory notes from a commercial bank.

Schedule of Long-Term Debt

	Balance, April 30, 2016	Additions	Reductions	Balance, April 30, 2017
Governmental Activities:				
G.O. Bonds	$ 6,585,000	$ -	$ (515,000)	$ 6,070,000
Notes Payable-Bank	1,573,327	67,911	(354,979)	1,286,259
Business-type Activities:				
G.O. Bonds	5,650,000	-	(300,000)	5,350,000
Illinois EPA Loans	38,142,124	-	(1,823,549)	36,318,575
Notes Payable-Bank	2,384,461	6,577,998	(411,194)	8,551,265
	$ 54,334,912	$ 6,645,909	$ (3,404,722)	$ 57,576,099

ECONOMIC FACTORS

The following schedule reports the City's equalized assessed valuation for tax year 2016:

Property Type	Total EAV	Percent of Total
Farmland	$ 586,410	.13%
Residential	318,747,965	70.97%
Commercial	118,231,240	26.32%
Industrial	10,673,599	2.38%
Railroad	909,063	0.20%
Total	$ 449,148,277	100%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City of Pekin's elected and appointment officials continue to deal with reconciling the desire to provide a determined level of service with limited resources. The administration will be challenged to find opportunities to increase revenue and limit costs while continuing to deliver services to the constituents at current and acceptable levels.

Assessed property values within the City limits increased from $443,422,877 in 2016 to $449,770,814 in 2017. This provides a good indication of improved economic growth for the City of Pekin.

Health care and personnel costs, which make up the largest portion of the City's operating costs, continue to rise. Nearly 80% of the City's employees are covered by three unions. The police and fire expire April 30, 2019 and 2021 respectively. Four Teamsters Union contracts were not settled as of April 30, 2017. The City approved fixed health insurance rates through September 30, 2017. The health insurance plan and rates will be in negotiation after that date. The City is reviewing both fully insured and self-insured options for the employees health plan.

The City hired an actuarial and employee benefits consulting firm, the Nyhart Co., to compute the estimated liability of postemployment benefits other than pensions as of April 30, 2017 in accordance with Government Accounting Standards Board requirements. Those results are reflected in the Statement of Net Position.

City management has begun a review of the internal transfer calculations and expects to have new proposals for those transfers in the fiscal year 2018 budget. Also under review are the internal controls utilized for maintenance of fixed assets and inventory.

Phases I, II and IV of the wastewater treatment plant improvement project have been finalized. Phase III is anticipated to be complete by 2020. The total cost expended through fiscal year 2017 was $52.8 million. Additional project costs of $9.6 million are expected.

A major capital project planned for fiscal years 2018 and 2019 is the renovation of Court Street. In fiscal year 2017 Veterans Drive was opened from Court Street south to Illinois Route 29. The total estimated project cost of Veterans Drive is $25.5 million. The City continues to work with the State of Illinois on potential additional funding for Court Street improvements in addition to the funds already received for the Veteran Drive improvements.

Commercial and industrial improvement activities continued within the City with notable progress at Excalibur Seasoning and Enviro-Safe in the Industrial Park and the Pekin Hospital project along the Veterans Drive corridor. The Pekin downtown/Court Street Corridor also saw renovation of several buildings and increased occupancy levels. Continued construction and improvements throughout the City are reflected in the increase in assessed valuations.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the City's finances and to show the City's accountability for the public dollars entrusted to it. If you have any questions about this report or need additional financial information, please contact the Finance Department, City of Pekin, 111 South Capitol Street, Pekin, Illinois 61554.

STATEMENT 1

CITY OF PEKIN, ILLINOIS
STATEMENT OF NET POSITION
APRIL 30, 2017

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Unit
ASSETS				
Current assets:				
Cash	$ 5,142,543	$ 2,114,480	$ 7,257,023	$ 548,465
Investments	4,488,833	-	4,488,833	-
Receivables:				
Property taxes	1,785,167	-	1,785,167	-
Other taxes	4,152,687	-	4,152,687	-
Accounts and other	824,682	1,536,103	2,360,785	8,340
Accrued interest	9,897	-	9,897	-
Inventories	19,989	7,260	27,249	-
Prepaid items	235,969	-	235,969	-
Total current assets	16,659,767	3,657,843	20,317,610	556,805
Noncurrent assets:				
Capital assets:				
Land and improvements	14,168,932	1,325,502	15,494,434	-
Other capital assets, net of accumulated depreciation and amortization	57,977,934	57,414,857	115,392,791	152,838
Total capital assets, net of depreciation and amortization	72,146,866	58,740,359	130,887,225	152,838
Developer agreement receivable	387,960	-	387,960	-
Loans receivable	1,229,763	11,483,450	12,713,213	-
Total noncurrent assets	73,764,589	70,223,809	143,988,398	152,838
Total assets	90,424,356	73,881,652	164,306,008	709,643
Deferred outflows:				
Deferred amount related to pension liability	11,750,143	-	11,750,143	-
Total assets and deferred outflows	$ 102,174,499	$ 73,881,652	$ 176,056,151	$ 709,643

The notes to the financial statements are an integral part of this statement.

STATEMENT 1
(continued)

CITY OF PEKIN, ILLINOIS
STATEMENT OF NET POSITION
APRIL 30, 2017

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Unit
LIABILITIES AND DEFERRED INFLOWS				
Current liabilities:				
Accounts payable and accrued expenses	$ 1,055,320	$ 281,988	$ 1,337,308	$ 55,968
Licenses and property escrow payable	19,349	-	19,349	-
Accrued interest payable	87,897	141,890	229,787	-
Loan payable-bank	-	-	-	73,163
Current portion of general obligation bonds payable	525,000	315,000	840,000	-
Current portion of loans payable	389,229	2,714,942	3,104,171	-
Total current liabilities	2,076,795	3,453,820	5,530,615	129,131
Noncurrent liabilities:				
Compensated absences	4,487,504	-	4,487,504	-
General obligation bonds payable	5,545,000	5,035,000	10,580,000	-
Loans payable	897,030	42,154,898	43,051,928	-
Net pension obligation-IMRF	4,303,169	-	4,303,169	-
Net pension obligation-Police pension	21,826,731	-	21,826,731	-
Net pension obligation-Fire pension	39,092,815	-	39,092,815	-
Other post-employment benefits obligation	27,243,053	-	27,243,053	-
Total noncurrent liabilities	103,395,302	47,189,898	150,585,200	-
Total liabilities	105,472,097	50,643,718	156,115,815	129,131
Deferred inflows:				
Unavailable property taxes	1,785,167	-	1,785,167	-
Unavailable revenues	724,954	-	724,954	-
Pension related amounts	4,981,041	-	4,981,041	-
Benefits related amounts	1,518,486	-	1,518,486	-
Total deferred inflows of resources	9,009,648	-	9,009,648	-
Total liabilities and deferred inflows of resources	114,481,745	50,643,718	165,125,463	129,131
NET POSITION				
Net investment in capital assets	64,790,607	8,520,519	73,311,126	79,675
Restricted for:				
Public safety	77,215	-	77,215	-
Library	785,304	-	785,304	-
Tax increment financing district	3,672,070	-	3,672,070	-
Motor fuel tax projects	3,462,507	-	3,462,507	-
HUD development projects	1,102,315	-	1,102,315	-
Unrestricted	(86,197,264)	14,717,415	(71,479,849)	500,837
Total net position	$(12,307,246)	$ 23,237,934	$ 10,930,688	$ 580,512

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2017

STATEMENT 2

Functions/Programs:	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets — Primary Government: Governmental Activities	Primary Government: Business-type Activities	Total	Component Unit
Primary Government								
Governmental activities:								
General government	$ 2,887,493	$ 202,524	$ 12,694	$ -	$ (2,672,275)	$ -	$ (2,672,275)	$ -
Public safety	25,144,314	1,148,270	15,210	-	(23,980,834)	-	(23,980,834)	-
Public lands	755,305	186,662	900	-	(567,743)	-	(567,743)	-
Zoning	557,011	173,537	-	-	(383,474)	-	(383,474)	-
Public works	402,980	-	-	-	(402,980)	-	(402,980)	-
Streets	3,271,985	14,768	139,178	-	(3,118,039)	-	(3,118,039)	-
Planning and development	207,363	-	-	-	(207,363)	-	(207,363)	-
Library	1,480,985	70,094	26,472	-	(1,384,419)	-	(1,384,419)	-
Tourism	52,776	-	-	-	(52,776)	-	(52,776)	-
Residential and public improvements/donations	255,108	-	-	371,280	116,172	-	116,172	-
Unallocated, interest on long-term debt	332,365	-	-	-	(332,365)	-	(332,365)	(7,326)
Total governmental activities	35,347,685	1,795,855	194,454	371,280	(32,986,096)	-	(32,986,096)	(7,326)
Business-type activities:								
School bus	4,498,859	5,243,980	-	-	-	745,121	745,121	-
Sewerage	4,767,514	7,442,116	-	16,168	-	2,690,770	2,690,770	-
Other	2,906,166	2,278,504	-	65,264	-	(562,398)	(562,398)	-
Total business-type activities	12,172,539	14,964,600	-	81,432	-	2,873,493	2,873,493	-
Total primary government	$ 47,520,224	$ 16,760,455	$ 194,454	$ 452,712	(32,986,096)	2,873,493	(30,112,603)	-
Component unit:								
TPCCC	$ 1,570,006	$ 1,786,096	$ -	$ -				216,090
General revenues:								
Taxes:								
Property taxes					6,706,046	-	6,706,046	-
Income taxes					3,214,649	-	3,214,649	-
Sales taxes					11,974,700	-	11,974,700	-
Other taxes					3,704,675	-	3,704,675	-
Franchise fees					580,029	-	580,029	-
Investment earnings					107,228	326,138	433,366	2,390
Other					157,471	-	157,471	-
Transfers					1,117,052	(1,117,052)	-	-
Total general revenues and transfers					27,561,850	(790,914)	26,770,936	2,390
Changes in net position					(5,424,246)	2,082,579	(3,341,667)	211,154
Net position, beginning of year, as restated					(6,883,000)	21,155,323	14,272,323	369,358
Net position, end of year					$ (12,307,246)	$ 23,237,902	$ 10,930,656	$ 580,512

The notes to the financial statements are an integral part of this statement.

STATEMENT 3

CITY OF PEKIN, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
APRIL 30, 2017

	General Fund	Library Fund	TIF 1 Central Business District	Nonmajor Governmental Funds	Total
ASSETS					
Cash	$ 3,280,313	$ 163,224	$ 3,675,476	$ 2,384,924	$ 9,503,937
Investments	2,643,833	600,000	-	1,245,000	4,488,833
Due from other funds	144,568	6,395	-	-	150,963
Receivables:					
Property taxes	708,677	1,076,490	-	-	1,785,167
Accounts, fees, grants and other taxes	4,566,354	27,362	-	213,485	4,807,201
Loans	-	-	70,531	1,159,232	1,229,763
Developer agreement	180,000	-	-	207,960	387,960
Prepaid items	235,969	-	-	-	235,969
Total assets	$ 11,759,714	$1,873,471	$ 3,746,007	$ 5,210,601	$22,589,793
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE					
Liabilities:					
Cash overdraft	$ -	$ -	$ -	$ 3,629,366	$ 3,629,366
Accounts payable	329,002	-	3,406	67,491	399,899
Accrued wages	223,580	11,677	-	2,043	237,300
Due to other funds	6,395	-	-	-	6,395
Other liabilities	19,349	-	-	-	19,349
Total liabilities	578,326	11,677	3,406	3,698,900	4,292,309
DEFERRED INFLOWS OF RESOURCES					
Unavailable property taxes	708,677	1,076,490	-	-	1,785,167
Unavailable revenues	416,994	-	-	307,960	724,954
Total deferred inflows of resources	1,125,671	1,076,490	-	307,960	2,510,121
Total liabilities and deferred inflows of resources	1,703,997	1,088,167	3,406	4,006,860	6,802,430
FUND BALANCES					
Nonspendable	415,969	-	70,531	-	486,500
Restricted	77,215	785,304	3,672,070	4,564,822	9,099,411
Assigned	-	-	-	248,216	248,216
Unassigned	9,562,533	-	-	(3,609,297)	5,953,236
Total fund balances	10,055,717	785,304	3,742,601	1,203,741	15,787,363
Total liabilities, deferred inflows of resources, and fund balance	$ 11,759,714	$1,873,471	$ 3,746,007	$ 5,210,601	$22,589,793

The notes to the financial statements are an integral part of this statement.

STATEMENT 3
(continued)

CITY OF PEKIN, ILLINOIS
RECONCILIATION OF TOTAL GOVERNMENTAL
FUND BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES
APRIL 30, 2017

Total governmental fund balances	$ 15,787,363
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	72,146,866
Internal service funds are used by management to charge the costs of certain activities, such as vehicle maintenance and insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	(1,104,560)
Accrued interest receivable is not a financial resource and, therefore, not reported in the funds	9,897
Deferred outflows related to pensions	11,750,143
Deferred inflows related to pensions	(4,981,041)
Deferred inflows related to other postemployment benefits	(1,518,486)
Long-term liabilities are not payable in the current period and therefore are not reported in the funds:	
General obligation bonds payable	(6,070,000)
Loans payable	(1,286,259)
Compensated absences	(4,487,504)
Accrued interest payable	(87,897)
Pension liability-IMRF	(4,303,169)
Pension liability-Police	(21,826,731)
Pension liability-Fire	(39,092,815)
Other postemployment benefits liability	(27,243,053)
Net position of governmental activities	$ (12,307,246)

The notes to the financial statements are an integral part of this statement.

STATEMENT 4

CITY OF PEKIN, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2017

	General Fund	Library Fund	TIF 1 Central Business District	Nonmajor Governmental Funds	Total
Revenues:					
Taxes	$ 22,676,614	$ 1,156,500	$ 490,215	$ 1,276,741	$ 25,600,07
Licenses and permits	257,611	-	-	-	257,61
Intergovernmental	155,288	26,472	-	383,974	565,73
Fees and charges for services	1,421,030	70,094	-	-	1,491,12
Fines and collections	532,173	-	-	-	532,17
Interest earnings	58,067	3,461	21,867	13,936	97,33
Reimbursements and restitutions	94,976	-	-	-	94,97
Other revenues	28,379	33,399	-	95,693	157,47
Total revenues	25,224,138	1,289,926	512,082	1,770,344	28,796,49
Expenditures:					
Current:					
General government/administrative	2,211,156	-	4,756	93,798	2,309,71
Public safety	19,678,423	-	-	-	19,678,42
Public lands and buildings	502,390	-	-	-	502,39
Zoning and inspection	589,840	-	-		589,84
Public works	369,545	-	-	-	369,54
Streets	2,111,389	-	-	188,722	2,300,111
Planning and development	-	-	207,363	-	207,36
Library services	-	1,263,616	-	-	1,263,61
Tourism	-	-	-	52,043	52,04
Residential and public improvements/donations	-	-	-	255,108	255,10
Capital outlay	358,586	226,209	-	5,420,516	6,005,311
Debt service:					
Principal	787,046	-	-	82,933	869,97
Interest	230,940	-	-	13,528	244,468
Total expenditures	26,839,315	1,489,825	212,119	6,106,648	34,647,907
Excess (deficiency) of revenues over expenditures	(1,615,177)	(199,899)	299,963	(4,336,304)	(5,851,417
Other finances sources (uses):					
Transfers in	1,521,527	-	-	-	1,521,527
Transfers out	(927,867)	-	-	-	(927,867
Loan proceeds	67,911	-	-	-	67,911
Total other financing sources	661,571	-	-	-	661,571
Net change in fund balances	(953,606)	(199,899)	299,963	(4,336,304)	(5,189,846
Fund balances, beginning of year	11,009,323	985,203	3,442,638	5,540,045	20,977,209
Fund balances, end of year	$ 10,055,717	$ 785,304	$3,742,601	$ 1,203,741	$ 15,787,363

The notes to the financial statements are an integral part of this statement.

STATEMENT 4
(continued)

CITY OF PEKIN, ILLINOIS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2017

Net change in fund balances-governmental funds	$ (5,189,846)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays ($6,007,948) exceeded depreciation ($2,158,035) in the current period.	3,849,913
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Compensated absences	(991,404)
Post employment benefits	(3,736,046)
The proceeds of loans are a financing source in the governmental funds but increases the noncurrent liabilities in the statement of net position. The repayment of bond and loan principal is a financing use in the governmental funds but reduces the noncurrent liabilities in the statement of net position. Also, in the statement of activities, interest is accrued on outstanding bonds and loans whereas in the governmental funds an interest expenditure is reported when due. The following is the detail of the net effect of these differences in the treatment of noncurrent liabilities and related items:	
Proceeds of loans	(67,911)
Repayment of bond and loan principal	869,979
Interest	87,897
Interest receivables related to governmental fund investments are reported in the statement of net position at the time they are earned without regard to the date of receipt by the City.	9,897
Internal service funds are used by management to charge the costs of certain activities, such as vehicle maintenance and insurance, to individual funds. The net loss of the internal service funds is reported with governmental activities.	(256,725)
Change in net position of governmental activities	$ (5,424,246)

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
APRIL 30, 2017

STATEMENT 5

	Business-type Activities-Enterprise Funds School Bus Fund	Sewerage Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
ASSETS					
Cash and cash equivalents	$ 1,409,081	$ 3,031,320	$ -	$ 4,440,401	$ 68,213
Accounts /accrued interest receivable	844,465	648,824	181,382	1,674,671	31,600
Fuel inventory, at cost	-	-	7,260	7,260	19,989
Total current assets	2,253,546	3,680,144	188,642	6,122,332	119,802
Noncurrent assets:					
Loans receivable	-	-	11,483,450	11,483,450	-
Capital assets:					
Land and improvements	-	73,000	1,252,502	1,325,502	-
Buildings	689,103	-	794,276	1,483,379	-
Equipment	-	72,251,244	1,972,680	74,223,924	73,521
Vehicles	1,209,787	1,456,817	-	2,666,604	-
Capitalized loan costs	-	666,868	-	666,868	-
Less accumulated depreciation and amortization	(943,910)	(18,090,791)	(2,591,217)	(21,625,918)	(67,125)
Total capital assets, net	954,980	56,357,138	1,428,241	58,740,359	6,396
Total noncurrent assets	954,980	56,357,138	12,911,691	70,223,809	6,396
Total assets	$ 3,208,526	$ 60,037,282	$13,100,333	$ 76,346,141	$ 126,198
LIABILITIES					
Current liabilities:					
Cash overdraft	$ -	$ -	$ 2,325,953	$ 2,325,953	$ 800,241
Accounts payable	9,969	130,079	61,277	201,325	32,178
Accrued wages	54,023	12,308	14,332	80,663	1,733
Other liabilities	-	-	-	-	384,210
Accrued interest	-	141,890	-	141,890	-
Due to other funds	-	-	138,568	138,568	6,000
Noncurrent liabilities:					
Portion payable within one year:					
General obligation bonds	-	315,000	-	315,000	-
IEPA loans	-	1,853,942	-	1,853,942	-
Bank loans	-	-	861,000	861,000	-
Portion payable after one year:					
General obligation bonds	-	5,035,000	-	5,035,000	-
IEPA loans	-	34,464,633	-	34,464,633	-
Bank loans	-	-	7,690,265	7,690,265	-
Total liabilities	63,992	41,952,852	11,091,395	53,108,239	1,224,362
NET POSITION					
Net investment in capital assets	954,980	14,688,563	1,428,241	17,071,784	6,396
Unrestricted (deficit)	2,189,554	3,395,867	580,697	6,166,118	(1,104,560)
Total net position	$ 3,144,534	$ 18,084,430	$ 2,008,938	$ 23,237,902	$ (1,098,164)

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED APRIL 30, 2017

	Business-type Activities-Enterprise Funds				Governmental Activities
	School Bus Fund	Sewerage Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Operating revenues, charges for services	$ 5,243,980	$ 7,442,116	$ 2,278,504	$ 14,964,600	$ 6,285,089
Operating expenses:					
Personnel costs	2,868,544	866,775	1,275,679	5,010,998	30,428
Supplies	9,597	95,101	4,521	109,219	-
Cost of fuel and parts sold	-	-	-	-	553,836
Insurance claims and premiums paid	-	-	-	-	6,319,422
Other services and charges	1,475,187	954,692	1,336,448	3,766,327	159,104
Depreciation/amortization	145,531	1,956,112	166,368	2,268,011	3,479
Total operating expenses	4,498,859	3,872,680	2,783,016	11,154,555	7,066,269
Operating income (loss)	745,121	3,569,436	(501,512)	3,810,045	(781,180)
Nonoperating revenues (expenses):					
Grants	-	16,168	65,264	81,432	-
Interest earnings	10,008	9,672	306,458	326,138	1,063
Interest expense	-	(894,834)	(123,150)	(1,017,984)	-
Total nonoperating revenues (expenses)	10,008	(868,994)	248,572	(610,414)	1,063
Change in net position before transfers	755,129	2,700,442	(255,940)	3,199,631	(780,117)
Transfers out - operating	(1,068,556)	(259,876)	(193,095)	(1,521,527)	-
Transfer in - operating	-	-	404,475	404,475	523,392
Net transfers in (out)	(1,068,556)	(259,876)	211,380	(1,117,052)	523,392
Change in net position	(313,427)	2,440,566	(44,560)	2,082,579	(256,725)
Net position, beginning of year	3,457,961	15,643,864	2,053,498	21,155,323	(841,439)
Net position - end of year	$ 3,144,534	$ 18,084,430	$ 2,008,938	$ 23,237,902	$ (1,098,164)

The notes to the financial statements are an integral part of this statement.

STATEMENT 7

CITY OF PEKIN, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED APRIL 30, 2017

	Business-type Activities-Enterprise Funds				Governmental Activities
	School Bus Fund	Sewerage Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Cash flows from operating activities:					
Receipts from services and fees	$ 4,884,439	$ 7,252,206	$ 2,188,648	$ 14,325,293	$ 6,282,449
Payments for personnel costs	(2,866,686)	(1,035,855)	(1,154,123)	(5,056,664)	(28,889)
Payments to vendors and suppliers	(1,481,942)	(784,871)	(1,343,091)	(3,609,904)	(6,858,968)
Net cash provided (used) by operating activities	535,811	5,431,480	(308,566)	5,658,725	(605,408)
Cash flows from noncapital financing activities:					
Grant receipts	-	16,168	65,264	81,432	-
Transfers to other funds	(1,068,556)	(259,876)	(193,095)	(1,521,527)	-
Transfers from other funds	-	-	404,475	404,475	523,392
Net cash provided (used) by noncapital financing activities	(1,068,556)	(243,708)	276,644	(1,035,620)	523,392
Cash flows from capital related activities:					
Proceeds from capital debt issuance	-	-	6,577,998	6,577,998	-
Purchase and construction of capital assets	-	(51,046)	(9,700)	(60,746)	-
Principal paid on capital debt	-	(2,123,549)	(415,680)	(2,539,229)	-
Interest paid on capital debt	-	(876,429)	(123,150)	(999,579)	-
Net cash provided (used) by capital related activities	-	(3,051,024)	6,029,468	2,978,444	-
Cash flows from investing activities:					
Issuance of loan receivable	-	-	(6,577,998)	(6,577,998)	-
Principal received on loans receivable	-	-	259,997	259,997	-
Interest income	10,008	9,672	306,458	326,138	1,063
Net cash provided (used) by investing activities	10,008	9,672	(6,011,543)	(5,991,863)	1,063
Net increase (decrease) in cash	(522,737)	2,146,420	(13,997)	1,609,686	(80,953)
Cash (overdraft) balance, beginning of year	1,931,818	884,900	(2,311,956)	504,762	(651,075)
Cash (overdraft) balance, end of year	$ 1,409,081	$ 3,031,320	$ (2,325,953)	$ 2,114,448	$ (732,028)

The notes to the financial statements are an integral part of this statement.

STATEMENT 7
(continued)

CITY OF PEKIN, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED APRIL 30, 2017

	School Bus Fund	Sewerage Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	$ 745,121	$ 3,569,436	$ (504,512)	$ 3,810,045	$ (781,180)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization	145,531	1,956,112	166,368	2,268,011	3,479
Changes in assets and liabilities:					
Increase in receivables	(359,541)	(189,910)	(115,620)	(665,071)	(2,640)
Decrease in inventories	-	-	28,779	28,779	71,371
(Increase) decrease in due from other funds	(2,860)	-	2,860	-	-
Decrease in deferred loan interest	-	-	697	697	-
Increase (decrease) in accounts payable	5,702	93,694	(24,752)	74,644	(6,530)
Increase (decrease) in accrued wages	1,858	2,148	(954)	3,052	1,539
Increase in other liabilities	-	-	-	-	108,553
Increase in due to other funds	-	-	138,568	138,568	-
Net cash provided (used) by operating activities	$ 535,811	$ 5,431,480	$ (308,566)	$ 5,658,725	$ (605,408)

The notes to the financial statements are an integral part of this statement.

STATEMENT 8

CITY OF PEKIN, ILLINOIS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
APRIL 30, 2017

	Pension Trust Funds
ASSETS	
Cash	$ 340,483
Investments, at market value:	
Money market accounts	320,140
Corporate obligations	2,728,728
U.S. Government and Agency obligations	14,099,655
State and municipal obligations	645,941
Equity funds	12,168,761
Equity mutual funds	23,853,452
Accrued interest income	69,841
Prepaid expenses	4,917
Total assets	54,231,918
LIABILITIES	
Current liabilities:	
Accounts payable	7,423
NET POSITION	
Restricted-held in trust for pension benefits	$54,224,495

The notes to the financial statements are an integral part of this statement.

STATEMENT 9

CITY OF PEKIN, ILLINOIS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
FOR THE YEAR ENDED APRIL 30, 2017

	Pension Trust Funds
ADDITIONS:	
Contributions:	
Employer	$ 4,065,215
Plan members	936,210
Total contributions	5,001,425
Investment income:	
Net realized gains on investment sales and net appreciation in fair market value of investments	3,975,534
Interest/dividends	1,188,748
Total investment income	5,164,282
Less investment expenses	(165,403)
Net investment income	4,998,879
Total additions	10,000,304
DEDUCTIONS:	
Benefits	5,860,093
Administrative expenses	108,740
Total deductions	5,968,833
Change in net position	4,031,471
Net position, beginning of year	50,193,024
Net position, end of year	$ 54,224,495

The notes to the financial statements are an integral part of this statement.

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2017

NOTE 1 - **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. General Statement

The City of Pekin (the "City") is a municipal corporation governed by an elected mayor and six-member council. It operates under the City Manager form of government.

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for governmental agencies through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the City are discussed below.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, 'Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments'. Some of the significant changes in the Statement include the following:

(1) The financial statements include:

Financial statements prepared using full accrual accounting for all of the City's activities.

(2) A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to the financial statements).

B. Financial Reporting Entity

As required by accounting principles generally accepted in the United States, these financial statements present the City and its component unit, an entity for which the City is considered to be financially accountable. A discreet component unit is reported in a separate column in the government-wide statements to emphasize it is legally separate from the City.

Discreet Component Unit-The Tazewell/Pekin Consolidated Communications Center (TPCCC) provides police and fire communication services to the City as well as Tazewell County and other communities within the county. The governing board includes the City's mayor and chief of police. The City provides the majority of funding and provides office space and accounting services to TPCCC. Complete financial statements for TPCCC may be obtained at it's administrative office.

NOTE 1 - continued

C. Government-wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. While the previous reporting model emphasized fund types (the total of all funds of a particular type), in the new reporting model the focus is on either the City as a whole or major individual funds (within the fund financial statements). The focus is on both the City as a whole and the fund financial statements, including the major individual funds of the governmental and business-type categories, as well as the fiduciary funds, (by fund type) and the component unit. Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business-type.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reflected, on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations. The City generally first uses restricted assets for expenses incurred for which both restricted and unrestricted assets are available. The City may defer the use of restricted assets based on a review of the specific transaction.

The government-wide Statement of Activities reflects both the gross and net cost per functional category that are otherwise being supported by general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. The program revenues must be directly associated with the function or a business-type activity. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operation of a particular function or activity. Taxes and other items not properly included among program revenues are reported as general revenues. The City does not allocate indirect expenses. The operating grants include operating-specific grants.

In the fund financial statements, financial transactions and accounts of the City are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The fund statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statement's governmental column, a reconciliation is presented which briefly explains the adjustment necessary to reconcile the fund financial statements to the governmental column of the government-wide financial statements.

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2017

NOTE 1 - continued

The City's fiduciary funds (which have been redefined and narrowed in scope) are presented in the fund financial statements by type (pension and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements. The following is a brief description of the specific funds used by the City.

1. **Governmental Funds**
Governmental Funds are those through which most governmental functions typically are financed.

a. **General Fund**
The General Fund is the primary operating fund of the City. This fund is used to account for all financial transactions and resources except those required to be accounted for in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for services, and interest income.

b. **Special Revenue Fund**
The Special Revenue Fund accounts for revenue derived from specific sources (other than major capital projects) that are restricted by legal and regulatory provisions to finance specific activities. The Library Fund and the TIF 1 Central Business District Fund are major funds for reporting purposes.

c. **Capital Projects Fund**
The Capital Project Fund accounts for all financial resources used for the acquisition or construction of major capital facilities not being financed by proprietary funds.

2. **Proprietary Funds**
Proprietary Funds are used to account for activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses, and payments relating to the government's business activities are accounted for through proprietary funds. The measurement focus is on determination of operating income, financial position, changes in net position and cash flows. Operating revenues include charges for services. Operating expenses include costs of services as well as, materials, contracts, personnel, and depreciation. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

a. **Enterprise Fund or Business Funds**
The Enterprise Fund accounts for operations that are financed in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The School Bus Fund and the Sewerage Fund are considered major funds for reporting purposes.

NOTE 1 - continued

b. Internal Service Funds
The Internal Service Funds are used to finance and account for services and commodities provided by designated departments to other departments of the City. The following are the City's internal service funds:

Vehicle Maintenance Fund-To account for the costs of fuel, repairs, and maintenance of City-owned vehicles.

Employees Benefit Fund-To account for the premiums and medical claims of all covered City employees and their covered dependents.

3. Fiduciary Funds
Fiduciary Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, and other governments. The Fiduciary Funds of the City are the Police and Fire Pension Trust Funds and the Payroll Imprest Agency Fund. For accounting measurement purposes, the Pension Trust Funds are accounted for in essentially the same manner as proprietary funds. The Pension Trust Funds account for the assets of the City's pension plans. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operation. Fiduciary funds are not included in the government-wide financial statements.

D. Basis of Accounting
The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using the current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet in the funds statements. Long-term assets and long-term liabilities are included in the government-wide statements. Operating statements of the governmental funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The government-wide statements of net position and statements of activities, all proprietary funds, and private purpose trust funds and pension trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these activities are either included on the statement of net position or on the statement of fiduciary net position. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The statements of net position, statements of activities, financial statements of the Proprietary Funds and Fiduciary Funds (except for agency funds) are presented on the accrual basis of accounting. Under this method of accounting, revenues are recognized when earned and expenses are recorded when liabilities are incurred without regard to receipt or disbursement of cash. Real and personal property taxes are recognized in the period for which levied, provided the City has an enforceable legal claim to the resources. Grants, shared revenues, and contributions are recognized when all eligibility requirements have been met.

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2017

NOTE 1 - continued

The fund financial statements of the General, Special Revenue, Capital Projects, and agency funds are maintained and reported on the modified accrual basis of accounting using the current financial resources measurement focus. Under this method of accounting, revenues are recognized in the period in which they become measurable and available. With respect to real and personal property taxes revenue and other local taxes, the term "available" is limited to collection within ninety days of the fiscal year-end. Levies made prior to the fiscal year-end but which are not available are deferred. Interest income is recorded as earned. Federal and State reimbursement-type grants are recorded as revenue when related eligible expenditures are incurred. Expenditures, other than accrued interest on long-term debt, are recorded when the fund liability is incurred.

E. Capital Assets

Capital assets are recorded as expenditures of the General, Special Revenue, and Capital Project Funds and as assets in the government-wide financial statements to the extent the City's capitalization thresholds are met. GASB Statement No. 34 requires the City to report and depreciate new infrastructure assets effective May 1, 2004. Infrastructure assets include roads, sidewalks, underground pipes, traffic lighting, etc. These infrastructure assets are the largest asset class of the City. Pursuant to GASB Statement No. 34, the City has reported infrastructure assets acquired or constructed since 1978. These assets have been recorded at historical cost at the date of acquisition or construction less accumulated depreciation.

Depreciation is recorded on general fixed assets on a governmental-wide basis using the straight-line method and the following estimated useful lives:

Buildings	50-years
Equipment and Furniture	5-20 years
Vehicles	5-10 years
Library Books	10-years
Streets and Sidewalks	50-years
Lighting	20-years

To the extent the City's capitalization threshold of $5,000 is met, capital outlays of the proprietary funds are recorded as fixed assets and depreciated over their estimated useful lives in both the funds basis and the governmental-wide basis using the straight-line method and the following estimated useful lives:

Buildings	25-years
Land Improvements	20-years
Machinery and Equipment	7-15 years
Vehicles	5-10 years

All fixed assets are valued at historical cost or estimated historical cost if actual cost was not available. Donated fixed assets are valued at their estimated fair market value on the date donated.

NOTE 1 - continued

Maintenance, repairs, and minor equipment are charged to operations when incurred. Expenses that materially change capacities or extend useful lives are capitalized. Upon sale or retirement of land, buildings, and equipment, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts and any resulting gain or loss is included in the results of operations.

F. Inventory

The funds having material inventory are the Airport Fund (enterprise) with fuel and the Vehicle Maintenance Fund (internal service) with fuel and vehicle parts. Inventories of fuel and vehicle parts in these funds are valued at cost on a first-in, first-out basis which approximate market value. Inventory is recorded using the consumption method.

G. Compensated Absences

The City accrues compensated absences (vacation and sick leave benefits) when vested. The governmental funds' compensated absences liabilities are recorded as noncurrent liabilities in the government-wide financial statements and total $3,496,100.

H. Property Tax Revenue, Receivables, and Deferred Revenue

Property tax revenues are recorded on the "deferred method". Because of the extraordinarily long period of time between the levy date and the receipt of tax distributions from the Tazewell County Treasurer, the property taxes are not "available" to finance current year expenditures. The 2016 tax levy adopted December 2016 is recorded as property taxes receivable and deferred inflow of resources on the balance sheets of governmental type funds. Taxes for this levy are due in two installments-June 1 and September 1, 2017. Collections are distributed by the County Treasurer in July through December, 2017. The lien date for uncollected taxes is January 1, 2018.

I. Employees Benefits

The City has established an internal service fund to account for its medical self-insurance program. The purpose of this fund is to pay medical insurance claims of the City employees and their covered dependents. The private insurance carrier determines premium payments to be made by the City. Annual claims are paid from accumulated premium payments, and claims exceeding a fixed amount per employee are paid by a private insurance carrier.

J. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds". Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

NOTE 1 - continued

K. Equity Classification

Government-Wide Statements

Equity is classified as net position and displayed in three components:

a. Net investment in capital assets-consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
b. Restricted net position-consists of net assets with constraints placed on the use either by (1) external grops such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
c. Unrestricted net position-all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

Fund Financial Statements

Governmental fund equity is classified as fund balance.

In the government fund financial statements, fund balances are classified as follows:

a. Nonspendable - amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
b. Restricted - amounts that can be spent only for specific purposes because of the City Charter, City Code, State or Federal laws, or externally imposed conditions by grantors or creditors.
c. Committted - amounts that can be used only for specific purposes determined by formal action by City Council ordinance or resolution.
d. Assigned - amounts that are designated by a committee of the City Council for a particular purpose but are not spendable until there is a majority vote approved by the City Council.
e. Unassigned - all amounts not includable in other spendable classifications.

See Note 8 for the Governmental Fund Balance classifications.

The City uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents or contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City has a formal fund balance policy.

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2017

NOTE 2 - **DEPOSITS AND INVESTMENTS**

Custodial Credit Risk-Deposits:
Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City has a deposit policy for custodial credit risk.

As of April 30, 2017, the carrying amount of the City's deposits totaled $7,081,183 with the bank balances totaling $8,076,722. The insured and collateral status of the bank balances, by category of risk, were as follows:

Insured or collateralized with securities held by the City or its agent in the City's name	$ 8,076,722

Custodial Credit Risk-Investments:
Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of April 30, 2017, $1,159 of the City's investments were in external investment pools.

State statutes authorize the City to make deposits in interest bearing depository accounts in federally insured and/or state chartered banks and savings and loan associations, or other financial institutions as designated by ordinances, and to invest available funds in direct obligations of, or obligations guaranteed by, the United States Treadury or agencies of the United States, money market mutual funds whose portfolios consist of governmental securities, Illinois Funds Money Market Fund, and annuities.

A reconciliation of cash, cash equivalents and investments as shown in the financial statements is as follows:

Cash	$ 3,419,961
Deposits with financial institutions	8,076,722
Investments	249,173
	$ 11,745,856

Government-wide financial statement of net position:	
Cash and cash equivalents	$ 7,257,023
Investments	4,488,833
	$ 11,745,856

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2017

NOTE 3 - **RECEIVABLES**

Taxes receivable at April 30, 2017 consisted of the following:

	General Fund	Tourism Fund	Motor Fuel Tax Fund	Capital Project Fund	Total
Sales/use/gaming taxes	$ 2,658,680	$ 12,588	$ -	$ -	$ 2,671,268
Income tax	976,671	-	-	-	976,671
Telecommunication tax	162,723	-	-	-	162,723
Replacement tax	222,438	-	-	-	222,438
Gasoline taxes	22,469	-	74,648	22,469	119,586
Total	$ 4,042,981	$ 12,588	$ 74,648	$ 22,469	$ 4,152,686

Developer agreement receivables due in more than one year consisted of the following:

Governmental Funds:	
General Fund	$ 180,000
Capital Project Fund	207,960
Total	$ 387,960

Loan receivables due in more than one year consisted of the following:

Governmental Funds:	
TIF/Central Business District Fund	$ 70,531
HUD Metro Development Fund	1,159,232
Business-Type Funds:	
Economic Development Fund	11,483,450
Total	$ 12,713,213

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2017

NOTE 4 - **CAPITAL ASSETS**

The following is a summary of changes in capital assets for the year ended April 30, 2017:

	Balance April 30, 2016	Additions	Deletions	Balance April 30, 2017
Governmental Activities:				
Capital assets not being depreciated:				
Land	$14,168,932	$ -	$ -	$ 14,168,932
Capital assets being depreciated:				
Buildings	17,924,952	168,960	-	18,093,912
Infrastructure	43,579,151	4,838,965	-	48,418,116
Machinery and equipment	4,513,059	194,152	-	4,707,211
Vehicles	11,353,519	220,662	(1,211,164)	10,363,017
Library books	2,321,765	121,645	-	2,443,410
Total capital assets being depreciated	79,692,446	5,544,384	(1,211,164)	84,025,666
Less accumulated depreciation for:				
Buildings	4,264,961	356,225	-	4,621,186
Infrastructure	6,413,694	1,037,780	-	7,451,474
Machinery and equipment	3,747,735	196,471	-	3,944,206
Vehicles	8,798,722	477,877	(1,211,164)	8,065,435
Library books	1,875,749	89,682	-	1,965,431
Total accumulated depreciation	25,100,861	2,158,035	(1,211,164)	26,047,732
Total capital assets being depreciated, net	54,591,585	3,386,349	-	57,977,934
Governmental activities capital assets, net	$68,760,517	$ 3,386,349	$ -	$ 72,146,866
Business-Type Activities:				
Capital assets not being depreciated:				
Land	$ 249,884	$ -	$ -	$ 249,884
Capital assets being depreciated:				
Land improvements	1,075,618	-	-	1,075,618
Buildings	1,483,379	-	-	1,483,379
Machinery and equipment	74,163,178	60,746	-	74,223,924
Vehicles	2,666,604	-	-	2,666,604
Total capital assets being depreciated	79,388,779	60,746	-	79,449,525
Less accumulated depreciation for:				
Land improvements	835,752	19,151	-	854,903
Buildings	588,444	38,854	-	627,298
Machinery and equipment	16,187,347	2,030,671	-	18,218,018
Vehicles	1,687,608	145,858	-	1,833,466
Total accumulated depreciation	19,299,151	2,234,534	-	21,533,685
Total capital assets being depreciated, net	60,089,628	(2,173,788)	-	57,915,840
Capital assets being amortized:				
Loan closing costs	666,868	-	-	666,868
Accumulated amortization	(58,756)	(33,477)	-	(92,233)
Total capital assets being amortized, net	608,112	(33,477)	-	576,635
Business-type activities, capital assets, net	$60,947,624	$(2,207,265)	$ -	$ 58,740,359

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2017

NOTE 4 - continued

Depreciation and amortization expenses were charged to the functions of the government as follows:

Governmental Activities		
General government	$	197,068
Public safety		441,020
Streets		964,361
Public lands		229,426
Library services		301,587
Public works		21,822
Zoning		2,751
	$	2,158,035
Business-Type Activities:		
Sewerage	$	1,956,112
School Bus		145,531
Airport		46,607
Solid Waste		119,761
	$	2,268,011

NOTE 5 - **INDIVIDUAL FUND DISCLOSURES**

Deficit balances in governmental funds at April 30, 2017 include:

TIF South Industrial Park Conservation Area	$	33,796
Capital Project Fund		3,575,501

The excess of actual expenditures over final budget for year ended April 30, 2016 were:

Library Fund (capital outlay)	223,754
HUD Metro Development Fund (public projects)	74,389

Interfund receivables/payables at April 30, 2017 were as follows:

	Interfund Receivable	Interfund Payable
General Fund	$ 144,568	$ 6,395
Library Fund	6,395	-
Economic Development Fund	-	138,568
Employees Benefits Fund	-	6,000
Total	$ 150,963	$ 150,963

The following is a schedule of operating transfers and contributions included in the City's basic financial statements:

	Transfers In	Transfers Out	Contributions In	Contributions Out
Governmental activities:				
General Fund	$ 521,527	$ -	$ 1,000,000	$ 927,867
Vehicle Maintenance Fund	-	-	523,392	-
Business-type activities:				
Sewerage Fund	-	259,876	-	-
School Bus Fund	-	68,556	-	1,000,000
Solid Waste Fund	-	193,095	404,475	-
Total	$ 521,527	$ 521,527	1,927,867	$ 1,927,867

Transfers were made to reimburse the General Fund for administrative expenses and billing costs incurred.

Contributions were made to help underwrite a portion of operating deficits.

NOTE 6 - **LEASES**

Capital Lease

As of April 17, 2017, the City was not involved in any capital lease arrangements.

Operating Leases

The City has entered into five operating leases for school buses with term in excess of one year. These agreements contain purchase options but it is the City's intent to not exercise those purchase options after the lease terms. The lease costs for the buses for fiscal year ended April 30, 2017 was $866,409. Future minimum lease payments for the buses are as follows:

Year Ending April 30,		Amount
2018		$ 841,351
2019		829,179
2020		754,393
2021		732,463
2022		628,441
	Total	$ 3,785,827

The City expended approximately $33,900 for other office equipment and machinery operating leases during the year. The leases contain cancellation provisions and are subject to annual appropriations.

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2017

NOTE 7 - **LONG-TERM DEBT**

The following is a summary of changes in long-term debt for the year ended April 30, 2017:

	Balance April 30, 2016	Additions	Reductions	Balance April 30, 2017	Due Within One Year
Governmental activities:					
General Obligation Bonds:					
Series 2012	$ 1,115,000	$ -	$ (300,000)	$ 815,000	$ 305,000
Series 2014	5,470,000	-	(215,000)	5,255,000	220,000
Note payable-bank (Infrastructure)	441,114	-	(82,933)	358,181	85,537
Note payable-bank (Capital projects)	1,132,213	67,911	(272,046)	928,078	303,692
Business-type activities:					
General Obligation Bonds:					
Series 2010	5,650,000	-	(300,000)	5,350,000	315,000
Illinois EPA loans	38,142,124	-	(1,823,549)	36,318,575	1,853,942
Note payable-bank (Economic development)	866,811	-	(411,194)	455,617	424,000
Note payable-bank (Economic development)	1,517,650	6,577,998	-	8,095,648	437,000
	$ 54,334,912	$ 6,645,909	$ (3,404,722)	$ 57,576,099	$ 3,944,171

NOTE 7 - continued

A brief description of the above long-term debt obligations is as follows:
Governmental activities:

General Obligation Bonds:
Series 2012 - The City issued $1,975,000 general obligation bonds on December 4, 2012 to finance the construction of streets and street improvements and the acquisition of machinery and equipment. Bonds are payable over a seven year period beginning in 2013. Annual principal payments range from $195,000 to $315,000. The interest rate is 2%. Bond payments are made from the General Fund. $ 815,000

Debt Service:

The annual debt service requirements to maturity, including principal and interest, for the Series 2012 bonds as of April 30, 2017 are as follows:

Year Ending April 30,	Principal	Interest	Total
2018	$ 305,000	$ 13,250	$ 318,250
2019	315,000	7,050	322,050
2020	195,000	1,950	196,950
Total	$ 815,000	$ 22,250	$ 837,250

Series 2014 - On May 12, 2014, the City issued $5,680,000 in general obligation bonds to finance the majority of construction costs associated with the renovation of the Pekin Public Library facility. Bonds are payable over a seventeen year period beginning in 2015. Annual principal payments range from $215,000 to $395,000. The interest rate on the bonds range from 2.0% to 4.0%. Bond payments are made from the General Fund. $ 5,255,000

Debt Service:
The annual debt service requirements to maturity, including principal and interest, for the Series 2014 bonds as of April 30, 2017 are as follows:

Year Ending April 30,	Principal	Interest	Total
2018	$ 220,000	$ 182,700	$ 402,700
2019	225,000	178,300	403,300
2020	230,000	172,675	402,675
2021	240,000	166,925	406,925
2022	245,000	159,725	404,725
2023-2027	1,340,000	684,025	2,024,025
2028-2032	1,620,000	422,025	2,042,025
2033-2035	1,135,000	92,000	1,227,000
Total	$ 5,255,000	$2,058,375	$ 7,313,375

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2017

NOTE 7 - continued

Note Payable-Bank (Infrastructure):
On September 13, 2013, the City borrowed $600,000 from Morton Community Bank for the purpose of making certain infrastructure improvements. The loan is a promissory note, payable at 3% annually. The note is payable over a seven year period with annual principal and interest payments of $96,461.52 until maturity, September 13, 2020. Loan payments are made from the Tourism Fund. $ 358,181

Debt Service:
The annual debt service requirements to maturity, including principal and interest, for the loan as of April 30, 2017 are as follows:

Year Ending April 30,	Principal	Interest	Total
2018	$ 85,537	$ 10,924	$ 96,461
2019	88,169	8,292	96,461
2020	90,851	5,611	96,462
2021	93,624	2,855	96,479
Total	$ 358,181	$ 27,682	$ 385,863

Note Payable-Bank (Capital Projects):
On July 29, 2015 the City Council passed Ordinance No. 2722-15/16, authorizing the City to borrow up to $2,075,000 for purposes of financing certain capital project expenditures and acquiring certain capital assets. As of April 30, 2017, the City had borrowed $1,200,124 for certain expenditures. The interest rate on the outstanding balance of the promissory note is 2.5%. The note is payable over a seven year period, with monthly principal and interest payments of $26,952.51 beginning May 1, 2016 until maturity, May 1, 2023. Loan payments are made from the General Fund. $ 928,078

Debt Service:
The annual debt service requirements to maturity, including principal and interest, for the loan as of April 30, 2017 are as follows:

Year Ending April 30,	Principal	Interest	Total
2018	$ 303,692	$ 19,738	$ 323,430
2019	311,372	12,058	323,430
2020	313,014	10,416	323,430
Total	$ 928,078	$ 42,212	$ 970,290

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2017

NOTE 7 - continued

Business-Type Activities:

General Obligation Bonds:

Series 2010 - The City issued $7,110,000 in general obligation bonds on August 23, 2010 to pay for a portion of the construction costs to the wastewater treatment plant and improvements to the sanitary sewer system. Bonds are payable over an eighteen year period beginning in 2011. Annual principal payments range from $285,000 to $475,000. The interest rates range from 1.0% to 6.15%. The bonds qualify under Internal Revenue Code Section 54AAA ("Qualified Build America Bonds") which provides for a 35% reduction in interest costs to the City. Bond payments are made by the Sewerage Fund. $ 5,350,000

Debt Service:

The annual debt service requirements applicable to the Series 2010 bonds for the principal and interest payments outstanding at April 30, 2017 are as follows:

Year Ending April 30,		Principal	Interest	Total
2018		$ 315,000	$ 179,889	$ 494,889
2019		320,000	172,149	492,149
2020		330,000	163,586	493,586
2021		335,000	153,966	488,966
2022		345,000	143,631	488,631
2023-2027		1,905,000	533,423	2,438,423
2028-2031		1,800,000	136,901	1,936,901
	Total	$ 5,350,000	$ 1,483,545	$ 6,833,545

Capital Loans-State of Illinois Water Pollution Control Loan Program

On July 11, 2011 the City Council passed Ordinance Number 2641-11/12 authorizing the City to borrow funds from the State of Illinois Water Pollution Control Loan Program Fund for the purpose of improving the City's sewerage system. The maximum approved amount to be borrowed for phases II, III and IV of the construction project is $54,516,000. As of April 30, 2017, $43,746,707 of the loans had been disbursed to the City for construction costs to the sewerage system.

The loans have the following terms:

Interest rates range from 1.25% to 2.295%.
Length of payments range from 19.5 years to 20 years
Payment dates began in April, 2014 and continue through August, 2035.

Loan payments are made from the Sewerage Fund. $ 36,318,575

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2017

NOTE 7 - continued

Debt Service
The annual debt service requirements applicable to the Illinois EPA loans, including principal and interest to maturity, as of April 30, 2017 are as follows:

Year Ending April 30,	Principal	Interest	Total
2018	$ 1,853,942	$ 651,722	$ 2,505,664
2019	1,886,883	618,782	2,505,665
2020	1,920,453	585,211	2,505,664
2021	1,954,669	550,996	2,505,665
2022	1,989,537	516,126	2,505,663
2023-2027	10,494,644	2,033,681	12,528,325
2028-2032	11,472,785	1,055,539	12,528,324
2033-2036	4,745,662	145,065	4,890,727
	$ 36,318,575	$6,157,122	$42,475,697

Note Payable-Bank (Economic Development):
On May 31, 2013, the City borrowed $2,000,000 from Morton Community Bank for the purpose of making loans to an economic developer to use for infrastructure improvements at several retail locations. The loan is a promissory note, payable at 3% monthly. The note is payable monthly with principal and interest payments of $35,979.04 until maturity, June 1, 2018. Loan payments are made from the Economic Development Fund. $ 455,617

Debt Service:
The annual debt service requirements to maturity, including principal and interest, for the loan as of April 30, 2017 are as follows:

Year Ending April 30,	Principal	Interest	Total
2018	$ 424,000	$ 7,755	$ 431,755
2019	31,617	77	31,694
Total	$ 455,617	$ 7,832	$ 463,449

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2017

NOTE 7 - continued

Note Payable-Bank (Economic Development):
On June 22, 2015, the City Countil passed Ordinance No. 2728-15/16, which authorized borrowing $12,000,000 from Morton Community Bank in order to provide the necessary resources for financing the construction of a health facility under an agreement with Progressive Health Systems and Park Court Limited. The interest rate on the promissory note is 3.25%. Beginning May 1, 2017 monthly principal and interest payments are required over a forty-one month period. On October 1, 2020 an estimated payment of $10,497,116 will be due. Loan payments are made from the Economic Development Fund.

$ 8,095,648

Debt Service:
The annual debt service requirements to maturity, including principal and interest, for the loan as of April 30, 2017 are as follows:

Year Ending April 30,		Principal	Interest	Total
2018		$ 437,000	$ 383,287	$ 820,287
2019		451,162	369,125	820,287
2020		466,046	354,241	820,287
2021		6,741,440	90,269	6,831,709
	Total	$ 8,095,648	$ 1,196,922	$ 9,292,570

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2017

NOTE 8 - **GOVERNMENTAL FUND BALANCES**

The fund balances of the Governmental Funds, as shown on Statement 3, are comprised of the following:

	General Fund	Library Fund	TIF 1 Central Business District Fund	Nonmajor Governmental Funds	Total
Nonspendable:					
Prepaid items	$ 235,969	$ -	$ -	$ -	$ 235,969
Developer agreement receivable	180,000	-	-	-	180,000
Loans	-	-	70,531	-	70,531
Total nonspendable	415,969	-	70,531	-	486,500
Restricted:					
Library services	-	785,304	-	-	785,304
Federal/State regulations	77,215	-	3,672,070	4,564,822	8,314,107
Total restricted	77,215	785,304	3,672,070	4,564,822	9,099,411
Assigned:					
Special purposes	-	-	-	248,216	248,216
Unassigned	9,562,533	-	-	(3,609,297)	5,953,236
Total fund balance	$ 10,055,717	$ 785,304	$ 3,742,601	$ 1,203,741	$ 15,787,363

NOTE 9 - **ILLINOIS MUNICIPAL RETIREMENT FUND**

Plan Description

The City's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The City's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

NOTE 9 - continued

Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP), which is the only plan the City participates in.

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011 are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms

As of December 31, 2016 the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits		124
Inactive plan members entitled to but not yet receiving benefits		28
Active plan members		127
	Total	279

Contributions

As set by statute, the City's regular plan members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City annual contribution rate for calendar year 2016 was 12.83%. For the calendar year ended December 31, 2016, the City contributed $714,013 to the plan.

The City also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2017

NOTE 9 - continued

Net Pension Liability
The City's net pension liability was measured as of December 31, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions
The following are the methods and assumptions used to determine total pension liability at December 31, 2016:

- The actuarial cost method used was Entry Age Normal.
- The asset valuation method used was Market Value of Assets.
- The inflation rate was assumed to be 2.75%.
- Salary increases were expected to be 3.75% to 14.50%.
- The investment rate of return was assumed to be 7.50%.
- Projected retirement age was from the Experienced-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- For non-disabled retirees, an IMRF specific mortality table was used with fully generational scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For disabled retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For active members, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table, with adjustments to match current IMRF experience.

Single Discount Rate
A single discount rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this single discount rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The single discount rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the plan's fiduciary net position is projected to be sufficient to pay benefits), and

2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%; the municipal bond rate is 3.78%; and the resulting single discount rate is 7.50%.

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2017

NOTE 9 - continued

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Position Liability (A) - (B)
Balances at December 31, 2015	$28,381,061	$ 23,999,808	$ 4,381,253
Changes for the year:			
Service cost	557,324	-	557,324
Interest on the total pension liability	2,086,499	-	2,086,499
Differences between expected and actual experience of the total pension liability	(69,706)	-	(69,706)
Changes of assumptions	(100,444)	-	(100,444)
Contributions-employer	-	712,546	(712,546)
Contributions-employees	-	251,153	(251,153)
Net investment income	-	1,635,608	(1,635,608)
Benefit payments, including refunds of employee contributions	(1,456,030)	(1,456,030)	-
Other (net transfer)	-	(47,550)	47,550
Net changes	1,017,643	1,095,727	(78,084)
Balances at December 31, 2016	$29,398,704	$ 25,095,535	$ 4,303,169

Sensitivity of the Net Pension Liability to Changes in the Discount Rate
The following presents the plan's net pension liability, calculated using a single discount rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1% lower or 1% higher:

	1% Decrease (6.50%)	Current Discount (7.50%)	1% Increase (8.50%)
Total Pension Liability	$33,033,593	$ 29,398,704	$ 26,418,239
Plan Fiduciary Net Position	25,095,535	25,095,535	25,095,535
Net Pension Liability	$ 7,938,058	$ 4,303,169	$ 1,322,704

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2017

NOTE 9 - continued

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2016, the City recognized pension expense of $1,018,861. At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
Deferred amounts to be recognized in expense in future periods			
Differences between expected and actual experience	$ 56,888	$ 51,772	$ 5,116
Changes of assumptions	16,415	74,602	(58,186)
Net difference between projected and actual earnings on pension plan investments	1,121,425	-	1,121,425
Total deferred amounts related to pensions	$ 1,194,728	$ 126,374	$ 1,068,355

The net amount reported as deferred outflows of resources and deferred inflows of resources related to pensions, prior to contributions subsequent to measurement date, will be recognized in pension expense in future periods as follows:

Year Ending	Net Deferred Outflows of Resources
2017	$ 358,381
2018	355,769
2019	325,377
2020	28,828
Total	$ 1,068,355

NOTE 10 - **Police Pension Plan**

The City has a defined benefit single-employer pension plan for the Police Pension. The Plan doe not issue a stand-alone financial report. The City accounts for the Plan as a Pension Trust Fund; therefore, it is accounted for in substantially the same manner as Proprietary Funds.

For financial statement purposes, Plan assets are valued at fair value of the Police Pension Plan, as reported within the annual trustee statements. Since the Plan does not issue stand-alone financial reports, the individual financial report for the Police Pension Plan is presented in this section.

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2017

NOTE 10 - continued

Pension Trust Fund

	Police Pension
Assets	
Cash and cash equivalents	$ 207,676
Investments, at fair value:	
Money market accounts	169,933
Corporate obligations	1,432,118
U.S. Treasury obligations	8,072,286
State and municipal obligations	341,000
Equity funds	6,395,470
Equity mutual funds	13,807,588
Total investments	30,218,395
Receivables:	
Interest	69,841
Prepaid expenses	4,917
Total receivables	74,758
Total assets	30,500,829
Liabilities	
Accounts payable	7,423
Total liabilities	7,423
Net position	
Restricted-held in trust for pension benefits	$ 30,493,406
Additions	
Contributions-Employer	$ 1,599,022
Contributions-Members	541,097
Total contributions	2,140,119
Investment income:	
Interest/dividends	671,880
Net appreciation in the fair value of investments	2,194,873
Total investment income	2,866,753
Less investment expense	(86,787)
Net investment income	2,779,966
Total additions	4,920,085

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2017

NOTE 10 - continued

Deductions	
Pension benefits	2,409,154
Administrative expenses	79,448
Total deductions	2,488,602
Change in net position	2,431,483
Net position, beginning of year	28,061,923
Net position, end of year	$ 30,493,406

A. Plan Description

The Police Pension Plan is a single-employer defined benefit pension plan that covers all full-time police personnel. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund. The plan is administered by a Board of Trustees which acts as the administrator of the plan. Employees contribute 9.91% of their base salary.

At April 30, 2017 the Police Pension Plan membership consisted of:

Inactive Plan Members or beneficiaries currently receiving benefits	50
Inactive Plan Members entitled to but not yet receiving benefits	7
Active Plan Members	54
Total	111

B. Pension Benefits

Hired prior to January 1, 2011

Eligibility: Age 50 with at least 20 years of creditable service and no longer a police officer.

Benefit: 50% of final salary is payable commencing at retirement for 20 years of service. An additional 2.5% of final salary is added for each additional year of service in excess of 20 years of service (not to exceed 75% of final salary). "Final salary" is the salary attached to rank held on the last day of services or for 1 year prior to the last day, whichever is greater.

Annual Increase in Benefit: An officer will receive an initial increase of 1/12 of 3% for each month that has elapsed since retirement. The initial increase date will be the later of the first day of the month following the attainment of age 55, or the first anniversary of the date of retirement. Subsequent increases of 3% of the current pension amount (including prior increases) will be provided in each January thereafter.

Hired on or after January 1, 2011

Eligibility: Age 55 with at least 10 years of creditable service and no longer a police officer.

Benefit: 2.5% of final average salary for each year of service is payable at retirement (not to exceed 75% of final average salary). "Final average salary" is determined by dividing the highest total salary over 96 consecutive months of service in the last 120 months of service by the total number of months of service in the period. Annual salary for this purpose will not exceed $106,800, indexed by the lesser of 3% or 1/2 of the CPI-U for the 12 months ending with the September preceding each November 1. The salary cap will not decrease.

NOTE 10 - continued

Annual Increase in Benefit: The initial decrease date will be the January 1st following the later of the attainment of age 60, or the first anniversary of the date of retirement. Subsequent increases will occur on each subsequent January 1st. The first increase and subsequent increases will be the lesser of 3% of the original benefit or 1/2 of the CPI-U for the 12 months ending with the September preceding each November 1, applied to the original benefit.

Early Retirement Pension Benefits
Hired Prior to January 1, 2011
None

Hired on or after January 1, 2011
Eligibility: Age 50 with at least 10 years of creditable service and no longer a police officer.

Benefit: The normal retirement pension benefit reduced by 1/2 of 1% for each month that the police officer's age is under age 55.

Annual Increase in Benefit: The initial increase date will be the January 1st following the later of the attainment of age 60, or the first anniversary of the date of retirement. Subsequent increases will occur on each subsequent January 1st. The first increase and subsequent increases will be the lesser of the 3% of the original benefit or 1/2 of the CPI-U for the 12 months ending with the September preceding each November 1, applied to the original benefit.

C. Net Pension Liability
The components of the net pension liability of the Police Pension Plan as of April 30, 2017 is as follows:

Total Pension Liability	$ 52,320,137
Plan Fiduciary Net Position	30,493,406
Net Pension Liability	$ 21,826,731
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.28%

Actuarial Assumptions
The total pension liability was determined by an actuarial valuation as of May 1, 2017 using the following actuarial assumptions applied to all measurement periods.

Valuation Date	5/1/2017
Inflation	3.00%
Projected Salary Increases	3.5% - 9.91%
Investment Rate of Return	7.00%
Mortality Rate	RP 2014 Mortality Table for Blue Collar workers

NOTE 10 - continued

Expected Return on Pension Plan Investments
The long-term expected rate of return on assets is intended to represent the best estimate of future real rates of return and is shown for each of the major asset classes in the investment policy. The long-term expected rate of return on assets shown below have been provided by the investment professional that work with the Pension fund. Long-term Real Rates of Return are shown as the Expected Rate of Return net of the assumed inflation rate.

There are multiple approaches seen to providing these rates. Typically, the information is either based on capital market projections, or historical rates seen for the asset classes. We do not provide an opinion on the reasonableness of the returns provided nor the reasonableness of the approach used in the determination of the rates provided. The information provided is shown below for convenience.

The rates provided in the table below are based on an arithmetic average. The Investment Policy Statement will provide more detail regarding the Fund's policies on asset allocation targets and acceptable ranges.

Asset Class	Long-Term Expected Rate of Return	Long-Term Inflation Expectations	Long-Term Expected Real Rate of Return	Target Allocation
Fixed Income Govt.	3.90%	3.00%	0.90%	36.00%
Corporate Investment Grade	4.90%	3.00%	1.90%	4.00%
Domestic Equities	9.60%	3.00%	6.60%	42.00%
International Developed	9.30%	3.00%	6.30%	15.00%
Real Estate	12.10%	3.00%	9.10%	3.00%

Long-term expected real returns under GASB are expected to reflect the period of time that begins when a plan member begins to provide service to the employer and ends at the point when all benefits to the plan member have been paid. The rates provided above are intended to estimate those figures.

The expected inflation rate is 3.00% and is included in the total long-term rate of return on investments. The inflation rate is from the same source as the long-term real rates of return, and is not necessarily reflective of the inflation measures used for other purposes in the report.

Geometric rates of return are equal to arithmetic rates of return when the annual returns exhibit no volatility over time. When arithmetic returns are volatile on a year-to-year basis, the actual realized geometric returns over time will be lower. The higher the volatility, the greater the difference.

NOTE 10 - continued

Discount Rate
The discount rate used in the determination of the Total Pension Liability is based on a combination of the expected long-term rate of return on plan investments and the municipal bond rate.

Cash flow projections were used to determine the extent which the plan's future net position will be able to cover future benefit payments. To the extent future benefit payments are covered by the plan's projected net position, the expected rate of return on plan investments is used to determine the portion of the net pension liability associated with those payments. To the extent future benefit payments are not covered by the plan's projected net position, the municipal bond rate is used to determine the portion of the net pension liability associated with those payments.

Projected benefit payments are determined during the actuarial process based on the assumptions. More details on the assumptions are in the prior section. The expected contributions are based on the funding policy of the plan. The funding policy is discussed in more detail in a later section.

Sensitivity of Net Pension Liability to Changes in the Discount Rate

The Net Pension Liability has been determined using the discount rate listed in the assumption section. Below is a table illustrating the sensitivity of the Net Pension Liability to the discount rate assumption.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Employer Net Pension Liability	$29,478,715	$ 21,826,731	$ 15,622,557

The sensitivity of the Net Pension Liability to the discount rate is based primarily on two factors:

1. The duration of the plan's expected benefit payments. Younger plans with benefit payments further in the future will be more sensitive to changes in the discount rate.

2. The funded percentage of the plan (ratio of the net position to the total pension liability). The higher the funded percentage, the higher the sensitivity to the discount rate.

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2017

NOTE 10 - continued

The following presents the changes in the City's net pension liability for the Police Pension Plan:

Total Pension Liability	
Service cost	$ 901,042
Interest on total pension liability	3,450,422
Differences between expected and actual experience	452,993
Changes in assumptions	(571,490)
Benefit payments, including refunds	(2,409,154)
Net change in total pension liability	1,823,813
Total pension liability - beginning	50,496,324
Total pension liability - ending (A)	$ 52,320,137
Plan Fiduciary Net Position	
Contributions-Employer	$ 1,599,022
Contributions-Member	422,956
Contributions-Other	118,142
Net investment income	2,779,967
Benefit payments, including refunds	(2,409,154)
Administrative expenses	(79,450)
Net change fiduciary net position	2,431,483
Plan fiduciary net position-beginning	28,061,923
Plan fiduciary net position-ending (B)	$ 30,493,406
Net Pension Liability (A) - (B)	$ 21,826,731
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58%
Covered Employee Payroll	$ 4,147,522
Employer Net Pension Liability as a Percentage of Covered Employee Payroll	526%

NOTE 10 - continued

D. Pension Expenses and Deferred Inflows/Outflows of Resources Related to Pensions

For the year ended April 30, 2017 the City will recognize a pension expense of $2,621,377. On April 30, 2017 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 385,583	$ 632,445
Changes of assumptions	2,371,773	486,447
Net difference between projected and actual earnings	1,485,736	662,263
Total deferred amounts related to pensions	$ 4,243,092	$ 1,781,155

The net amount reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending	Net Deferred Outflows of Resources
2018	$ 683,697
2019	683,697
2020	683,695
2021	188,452
2022	235,090
Thereafter	(12,694)
Total	$ 2,461,937

NOTE 11 - **Fire Pension Plan**

The City has a defined benefit single-employer pension plan for the fire pension. The plan does not issue a stand-alone financial report. The City accounts for the plan as a pension trust fund; therefore, it is accounted for in substantially the same manner as proprietary funds.

For financial statement purposes, plan assets are valued at fair value of the fire pension plan, as reported within the annual trustee statements. Since the plan does not issue stand-alone financial reports, the individual financial report for the fire pension plan is presented in this section.

	Pension Trust Fund Fire Pension
Assets	
Cash and cash equivalents	$ 132,807
Investments, at fair value:	
Money market accounts	150,207
Corporate obligations	1,296,610
US Treasury obligations	6,027,369
State and municipal obligations	304,941
Equity funds	5,773,291
Equity mutual funds	10,045,864
Total investments	23,598,282
Total assets	23,731,089
Net position, restricted held in trust for pension benefits	$ 23,731,089

NOTE 11 - continued

	Fire Pension
Additions	
Contributions-Employer	$ 2,466,193
Contributions-Members	395,113
Total contributions	2,861,306
Investment income:	
Interest	516,868
Net appreciation in the fair value of investments	1,780,661
Total investment income	2,297,529
Less investment expense	(78,616)
Net investment income (loss)	2,218,913
Total additions	5,080,219
Deductions	
Pension benefits	3,450,939
Administrative expenses	29,292
Total deductions	3,480,231
Change in net position	1,599,988
Net position, beginning of year	22,131,101
Net position, end of year	$ 23,731,089

A. Plan Description

The Fire Pension Plan is a single-employer defined benefit pension plan that covers all full-time fire personnel. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund. The plan is administered by a Board of Trustees which acts as the administrator of the plan.

At April 30, 2017 the Fire Pension Plan membership consisted of:

Inactive Plan Members or beneficiaries currently receiving benefits	75
Inactive Plan Members entitled to but not yet receiving benefits	6
Active Plan Members	52
Total	133

NOTE 11 - continued

Pension Benefits
Normal Retirement

Date	Tier 1: Age 50 and 20 years of Credited Service. Tier 2: Age 55 and 10 years of Credited Service.
Benefit	Tier 1: 50% of annual salary attached to rank on last day of service plus 2.50% of annual salary for each year of service over 20 years, up to a maximum of 75% of salary. The minimum monthly benefit is $1,159.27 per month. Tier 2: 2.50% per year of service times the average salary for the eight consecutive years prior to retirement times the number of years of service, up to a maximum of 75% of average salary. The minimum monthly benefit is $1,159.27 per month.
Form of Benefit	Tier 1: For married retirees, an annuity payable for the life of the Member; upon the death of the member, 100% of the Member's benefit payable to the spouse until death. For unmarried retirees, the normal form is a Single Life Annuity. Tier 2: Same as above, but with 66 2/3% of benefit continued to spouse.

Early Retirement

Date	Tier 1: Age 60 and 10 years of Credited Service. Tier 2: Age 50 and 10 years of Credited Service.
Benefit	Tier 1: 1.5% plus 0.1% for each year of service in excess of 10 years, times salary x service (complete years). Tier 2: Normal Retirement Benefit, reduced 6% for each year before age 55, with no minimum benefit.
Form of Benefit	Same as Normal Retirement

Disability Benefit

Eligibility	Total and permanent as determined by the Board of Trustees. Seven years of service required for nonservice connected disability.
Benefit Amount	A maximum of: a) 65% of salary attached to the rank held by Member on last day of service, and; b) The monthly retirement pension that the Member is entitled to receive if he or she retired immediately. For nonservice connected disabilities, a benefit of 50% of salary attached to rank held by Member on last day of service.

NOTE 11 - continued

B. Net Position Liability
The components of the net pension liability of the Fire Pension Plan as of April 30, 2017 is as follows:

Total Pension Liability	$ 62,823,904
Plan Fiduciary Net Position	23,731,089
Net Pension Liability	$ 39,092,815
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	37.77%

Actuarial Assumptions
The total pension liability was determined by an actuarial valuation as of May 1, 2017 using the following actuarial assumptions applied to all measurement periods:

Valuation date	5/1/2017
Inflation	2.5%
Projected salary increases	Service Based
Investment rate of return	7.0%
Mortality rate	RP 2014 Mortality Table projected to the valuation date using improvement scale MP-2016.

Sensitivity of Net Pension Liability to Changes in the Discount Rate
The following presents the net pension liability of the Pension Plan calculated using the discount rate of 7.00%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower, or 1-percentage point higher than the current rate:

	1% Decrease	Current Rate	1% Increase
Discount rate	6.00%	7.00%	8.00%
Net pension liability	$ 47,185,576	$ 39,092,815	$ 32,413,655

The following presents the changes in City's net pension liability for Fire Pension Plan:

Total Pension Liability	
Service cost	$ 1,141,276
Interest on total pension liability	4,474,172
Differences between expected and actual experience	(1,888,126)
Changes in assumptions	(1,953,420)
Benefit payments, including refunds	(3,450,939)
Net change in total pension liability	(1,677,037)
Total pension liability-beginning	64,500,941
Total pension liability-ending (A)	$ 62,823,904

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2017

NOTE 11 - continued

Plan Fiduciary Net Position	
Contributions - Employer	$ 2,466,193
Contributions - Member	395,113
Net investment income	2,218,913
Benefit payments, including refunds	(3,450,939)
Administrative expense	(29,292)
Net change in plan fiduciary net position	1,599,988
Plan fiduciary net position-beginning	22,131,101
Plan fiduciary net position-ending (B)	$ 23,731,089
Net Pension Liability (A) - (B)	$ 42,369,840
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	37.77%
Covered Employee Payroll	$ 4,017,170
Net Pension Liability as a Percentage of Covered Employee Payroll	973.14%

C. Pension Expense and Deferred Inflows/Outflows of Resources Related to Pensions
For the year ended April 30, 2017 the City will recognize a pension expense of $4,809,780.
On April 30, 2017 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 984,665	$ 1,510,500
Changes of assumptions	4,352,334	1,563,012
Net difference between projected and actual earnings	975,323	-
Total deferred amounts related to pensions	$ 6,312,322	$ 3,073,512

The net amount reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expenses in future periods as follows:

Year Ending	Net Deferred Outflows of Resources
2018	$ 1,087,322
2019	1,087,322
2020	1,087,322
2021	(23,156)
Total	$ 3,238,810

NOTE 12 - **Loan Receivable-Health Facility Construction Project**

On October 15, 2015 the City entered into a financing assistance agreement with Progressive Health Systems ("PHS") and Park Court Limited ("PCL"). The agreement calls for the City to loan up to $12,000,000 to PHS and PCL to be used in the construction of a new health facility building. The construction costs includes the acquisition of real estate, the build-out of a medical office building, and other costs for architects, surveying, engineering, and consulting services.

The loan agreement has the following provisions:

The loan has a term of sixty months. The borrower may make drawings on the loan during the first eighteen months of the loan with repayments to be made on the following terms:

Monthly payments of accrued interest on the outstanding balance are to be made during the first eighteen months of the loan;
Beginning in May, 2017, the borrower shall make monthly payments of interest and principal, the amount to be established by amortizing the principal balance of the loan over a twenty year period. Any remaining balance of the loan is due on the maturity date.
The interest rate on the loan is 3.75%.
The loan is secured by a first position mortgage on the property.

NOTE 13- **Note Payable-Health Facility Construction Project**

In order to provide the necessary resources for financing the construction projected reported in Note 12, the City has entered into a loan agreement with Morton Community Bank ("MCB") to borrow $12,000,000 to be used in accordance with Ordinance No. 2728-15/16, passed June 22, 2015.

The terms of the note are as follows:

Interest only payments are to be made over an eighteen month period beginning November 1, 2015. Beginning May 1, 2017, monthly interest and principal payments totaling $68,357.23 are to be made over a forty-one month period. On October 1, 2020, an estimated payment of $10,497,115.60 will be due. The final payment is based on the assumption that all prior payments have been made as scheduled.

The interest rate of the note is 3.25%. In order for the interest rate to remain at that level, the City agrees to maintain a minimum of $10,000,000 on deposit at MCB at all times. Deposits are defined as the aggregate of all deposit balances at MCB held by the City combined with deposit account balances at MCB held by Progressive Health Systems. The interest rate will increase fifty basis points if the deposit balance falls below the stated minimum.

NOTE 14 - **Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors; errors and omissions; injuries to employees; and natural disasters. The City belongs to the Illinois Municipal League Risk Management Fund, a public entity risk pool currently operating as a commo risk management and insurance program for approximately 709 member governmental units.

The City pays an annual premium for it's general insurance and workers' compensation insurance coveraç

Settled claims resulting from the above-mentioned risks did not exceed insurance coverage in the past three years.

NOTE 15 - **Post-Employment Benefits Other Than Pensions (OPEB)**

The City administers a single-employer defined benefit healthcare plan. The plan provides post-employment health care for eligible retirees and their spouses through the City's group health insurance plan, which covers both active and retired members. Benefit provisions are governed by the City and can be amended by the City through its personnel manual and union contracts.

Contribution requirements are established through collective bargaining agreements and may be amended only through negotiations between the City and the unions and modifications to its personnel manual for non-union employees. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the City's plan becomes secondary.

The following presents the changes in the City's net OPEB liability:

Total OPEB Liability	
Service cost	$ 1,388,111
Interest on total OPEB liability	896,857
Changes in assumptions	(1,670,335)
Benefit payments, including refunds	(764,408)
Net change in total OPEB liability	(149,775)
Total OPEB liability-beginning	27,392,828
Total OPEB liability-ending (A)	$ 27,243,053
Plan Fiduciary Net Position	
Contributions-Employer	$ 764,408
Contributions-Retired Members	-
Benefit payments, including refunds	(764,408)
Administrative expenses	-
Net change fiduciary net position	-
Plan fiduciary net position-beginning	-
Plan fiduciary net position-ending (B)	$ -
Net OPEB Liability (A) - (B)	$ 27,243,053
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%
Covered Employee Payroll	$ 12,846,107
Employer Net OPEB Liability as a Percentage of Covered Employee Payroll	212.1%

NOTE 15 - continued

Pension Expenses and Deferred Inflows/Outflows of Resources Related to Pensions
For the year ended April 30, 2017 the City will recognize an OPEB expense of $2,133,119. On April 30, 2017 the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ -	$ (1,518,486)
Total deferred amounts related to OPEB	$ -	$ (1,518,486)

The net amount reported as deferred outfloiws of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future periods as follows:

Year Ending		Net Deferred Outflows of Resources
2018		$ 151,849
2019		151,849
2020		151,849
2021		151,849
2022		151,849
Thereafter		759,241
	Total	$ 1,518,486

NOTE 16 - **Restatements of Net Position**
New Pension Standard
The City adopted a new accounting standard to conform to generally accepted accounting principles. The statement adopted requiring restatement of net position was Governmental Accounting Standards Board (GASB) Statement 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions . This pronouncement requires the restatement of the April 30, 2016, net position of the governmental activities.

Net position has been restated as follows related to these changes:

	Governmental Activities
Net position, beginning of year, as previously reported	$ 21,788,716
Restatement for beginning net other post-employment benefits liability and deferred inflows	(28,671,716)
Net position, beginning of year, as restated	$ (6,883,000)

CITY OF PEKIN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2017

NOTE 17 - **Contingencies**

The City is part to various legal proceedings which normally occur in government operations. These legal proceedings are not likely to have a material adverse impact on the affected funds of the City and accordingly, no provision for losses has been recorded.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE 1

CITY OF PEKIN, ILLINOIS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2017

	Budgeted Amounts Original and Final	Actual	Variance Over (Under)
Revenues:			
Taxes	$ 23,040,798	$ 22,676,614	$ (364,184)
Licenses and permits	533,350	257,611	(275,739)
Intergovernmental	84,100	155,288	71,188
Fees and charges for services	2,707,010	1,421,030	(1,285,980)
Fines and collections	1,154,400	532,173	(622,227)
Interest earnings	95,000	58,067	(36,933)
Reimbursements and restitutions	165,858	94,976	(70,882)
Other revenues	1,201,000	28,379	(1,172,621)
Total revenues	28,981,516	25,224,138	(3,757,378)
Expenditures:			
General government/administrative	2,347,806	2,211,156	(136,650)
Public safety	19,866,689	19,678,423	(188,266)
Public lands and buildings	512,246	502,390	(9,856)
Zoning and inspection	796,943	589,840	(207,103)
Public works	364,943	369,545	4,602
Streets	2,181,479	2,111,389	(70,090)
Capital outlay	2,611,640	358,586	(2,253,054)
Debt service:			
Principal	702,000	787,046	85,046
Interest	19,300	230,940	211,640
Total expenditures	29,403,046	26,839,315	(2,563,731)
Deficiency of revenues over expenditures	(421,530)	(1,615,177)	(1,193,647)
Other financing sources (uses):			
Transfers in	434,314	1,521,527	1,087,213
Transfers out	-	(927,867)	927,867
Loan proceeds	782,000	67,911	(714,089)
Total other financing sources	1,216,314	661,571	(554,743)
Net change in fund balance	$ 794,784	(953,606)	$ (1,748,390)
Fund balance, beginning of year		11,009,323	
Fund balance, end of year		$ 10,055,717	

The notes to the required supplementary information are an integral part of this schedule.

SCHEDULE 2

CITY OF PEKIN, ILLINOIS
LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2017

	Budgeted Amounts Original and Final	Actual	Variance Over (Under)
Revenues:			
Property taxes	$ 1,044,140	$ 1,041,629	$ (2,511)
Replacement taxes	113,400	114,871	1,471
Charges for services	42,100	70,094	27,994
Intergovernmental	26,281	26,472	191
Investment earnings	3,150	3,461	311
All other revenues	37,000	33,399	(3,601)
Total revenues	1,266,071	1,289,926	23,855
Expenditures:			
Library services:			
Personnel costs	853,100	844,048	(9,052)
Books, programs and services	193,470	220,942	27,472
Other services and charges	219,501	198,626	(20,875)
Capital outlay	-	226,209	226,209
Total expenditures	1,266,071	1,489,825	223,754
Net change in fund balance	$ -	(199,899)	$ (199,899)
Fund balance, beginning of year		985,203	
Fund balance, end of year		$ 785,304	

The notes to the required supplementary information are an integral part of this schedule.

SCHEDULE 3

CITY OF PEKIN, ILLINOIS
TIF 1 CENTRAL BUSINESS DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2017

	Budgeted Amounts Original and Final	Actual	Variance Over (Under)
Revenues:			
Property taxes	$ 510,000	$ 490,215	$ (19,785)
Investment earnings	8,000	21,867	13,867
Total revenues	518,000	512,082	(5,918)
Expenditures:			
Administration	10,250	4,756	(5,494)
Redevelopment:			
Redevelopment grants	300,000	-	(300,000)
Property improvements and maintenance	235,100	175,788	(59,312)
Loans forgiven	-	31,575	31,575
Other redevelopment costs	75,000	-	(75,000)
Total expenditures	620,350	212,119	(408,231)
Net change in fund balance	$ (102,350)	299,963	$ 402,313
Fund balance, beginning of year		3,442,638	
Fund balance, end of year		$ 3,742,601	

The notes to the required supplementary information are an integral part of this schedule.

CITY OF PEKIN, ILLINOIS
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT PLAN

The following presents the changes in employer net pension liability for IMRF:

	2016	2015
Calendar year ended December 31,		
Total Pension Liability		
Service cost	$ 557,324	$ 559,310
Interest on the total pension liability	2,086,499	1,991,480
Differences between expected and actual experience of the total pension liability	(69,706)	115,804
Changes of assumptions	(100,444)	33,416
Benefit payments, including refunds	(1,456,030)	(1,326,712)
Net change in total pension liability	1,017,643	1,373,298
Total pension liaiblity, beginning	28,381,061	27,007,763
Total pension liability, ending	$ 29,398,704	$ 28,381,061
Plan Fiduciary Net Position		
Contributions-employer	$ 712,546	$ 629,532
Contributions-employees	251,153	242,615
Net investment income	1,635,608	118,894
Benefit payments, including refunds	(1,456,030)	(1,326,712)
Other	(47,550)	329,484
Net change in plan fiduciary net position	1,095,727	(6,187)
Plan fiduciary net position, beginning	23,999,808	24,005,995
Plan fiduciary net position, ending	$ 25,095,535	$ 23,999,808
Net position liability, ending	$ 4,303,169	$ 4,381,253
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.36%	84.56%
Covered Valuation Payroll	$ 5,565,182	$ 5,020,196
Net Pension Liability as a Percentage of the Covered Valuation Payroll	77.32%	87.27%

Additional years will be added to the schedule annually until 10 years of data is presented.

The notes to the required supplementary information are an integral part of this schedule.

CITY OF PEKIN, ILLINOIS
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
POLICE PENSION PLAN

The following presents the changes in employer's net pension liaility for the Police Pension Plan:

	2017	2016	2015
Fiscal year ended April 30,			
Total Pension Liability			
Service cost	$ 901,042	$ 765,440	$ 775,146
Interest	3,450,422	3,168,643	3,065,230
Difference in expected and actual experiences	452,993	(902,723)	-
Changes of assumptions	(571,490)	3,385,353	-
Benefit payments, including refunds	(2,409,154)	(2,373,461)	(2,352,616)
Net change in total pension liability	1,823,813	4,043,252	1,487,760
Total pension liability, beginning	50,496,324	46,453,072	44,965,312
Total pension liability, ending	$ 52,320,137	$ 50,496,324	$ 46,453,072
Plan Fiduciary Net Position			
Contributions-Employer	1,599,022	$ 1,577,451	1,534,236
Contributions-Member	422,956	425,591	408,953
Contributions-Other	118,141	-	-
Net investment income	2,779,967	(463,448)	1,816,276
Benefit payments, including refunds	(2,409,154)	(2,373,461)	(2,352,616)
Administrative expense	(79,449)	(86,825)	(64,475)
Net change in plan fiduciary net position	2,431,483	(920,692)	1,342,374
Plan fiduciary net position, beginning	28,061,923	28,982,615	27,640,241
Plan fiduciary net position, ending	$ 30,493,406	$ 28,061,923	$ 28,982,615
Net pension liability	$ 21,826,731	$ 22,434,401	$ 17,470,457
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.28%	55.57%	62.39%
Covered employee payroll	$ 4,147,522	$ 4,001,045	$ 3,873,585
Net pension liability as a percentage of covered employee payroll	526.26%	560.71%	451.02%

Additional years will be added to this schedule annually until 10 years of data is presented.

The notes to the required supplementary information are an integral part of this schedule.

CITY OF PEKIN, ILLINOIS
SCHEDULE OF CHANGES IN THE
NET PENSION LIABILITY AND RELATED RATIOS
FIRE PENSION PLAN

The following presents the changes in employer's net pension liability for the Firefighter Pension Plan:

	2017	2016	2015
Fiscal year ended April 30,			
Total Pension Liability			
Service cost	$ 1,141,276	$ 1,061,180	$ 1,121,881
Interest	4,474,172	3,813,115	3,543,523
Difference in expected and actual experiences	(1,888,126)	1,258,552	(331,383)
Changes of assumptions	(1,953,420)	5,562,946	2,658,411
Benefit payments, including refunds	(3,450,939)	(3,335,842)	(2,946,394)
Net change in total pension liability	(1,677,037)	8,359,951	4,046,038
Total pension liability, beginning	64,500,941	56,140,990	52,094,952
Total pension liability, ending	$ 62,823,904	$ 64,500,941	$ 56,140,990
Plan Fiduciary Net Position			
Contributions-Employer	$ 2,466,193	$ 2,375,747	$ 2,258,166
Contributions-Employee	395,113	389,998	358,384
Net investment income	2,218,913	(437,152)	1,473,145
Benefit payments, including refunds	(3,450,939)	(3,335,842)	(2,946,394)
Administrative expense	(29,292)	(29,753)	(19,171)
Net change in plan fiduciary net position	1,599,988	(1,037,002)	1,124,130
Plan fiduciary net position, beginning	22,131,101	23,168,103	22,043,973
Plan fiduciary net position, ending	$ 23,731,089	$ 22,131,101	$ 23,168,103
Net Pension Liability	$ 39,092,815	$ 42,369,840	$ 32,972,887
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	37.77%	34.31%	41.27%
Covered employee payroll	$ 4,017,170	$ 3,471,056	$ 3,750,045
Net pension liability as a percentage of a covered employee payroll	973.14%	1220.66%	879.27%

Additional years will be added to this schedule annually until 10 years of data is presented.

The notes to the required supplementary information are an integral part of this schedule.

CITY OF PEKIN, ILLINOIS
SCHEDULES OF EMPLOYER CONTRIBUTIONS-PENSION PLANS

Last 10 Fiscal Years

IMRF*

Ended December 31	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2016	$ 712,546	$ 712,546	$ -	$ 5,565,182	12.80%
2015	629,532	629,532	-	5,020,196	12.54%

Police Pension Plan*

Fiscal Year Ended April 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2017	$1,508,247	$1,599,022	$ (90,775)	$ 4,147,522	38.60%
2016	1,402,701	1,577,451	(174,750)	4,001,045	39.40%
2015	1,482,458	1,534,236	(51,778)	3,873,585	39.60%

Fire Pension Plan*

Fiscal Year Ended April 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2017	$2,318,690	$2,466,193	$ (147,503)	$ 4,017,170	61.39%
2016	2,194,373	2,375,747	(181,374)	3,471,056	68.44%

*Additional years will be added to this schedule annually until 10 years of data is presented.

The notes to the required supplementary informaiton are an integral part of these schedules.

NOTE 1 - BUDGETARY ACCOUNTING

In 1996 the City Council adopted budget procedures established by law which replaced the former appropriation ordinances process. The budget, unlike the replaced annual appropriations ordinance, is required to be adopted before the beginning of the fiscal year to which it applies. Unexpended budget items lapse each year.

The budget may be changed in almost any manner and without public hearings at any time during the year pursuant to a two-thirds vote of the Council members. Further, they may delegate the power, by the same vote, to make changes within an appropriation to a budget officer.

NOTE 2 - BUDGETARY BASIS OF ACCOUNTING

The budget for all governmental funds is prepared on the accrual basis of accounting; therefore, the budget comparison with actual is presented in accordance with generally accepted accounting principles.

NOTE 3 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The excess of actual expenditures over final budget for year ended April 30, 2017 for major funds were:

Library Fund, (capital outlay)	$ 223,754

NOTE 4 - SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2016 CONTRIBUTION RATE

A. IMRF

Valuation Date:	12/31/2016
Notes	Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2016 Contribution Rates:

Actuarial Cost Method	Aggregate entry age normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	27-year closed period, until remaining period reaches 15-years (then 15-year rolling period)
Asset Valuation Method	5-year smoothed market; 20% corridor
Wage Growth	3.5%
Price Inflation	2.75% approximate; No explicit price inflation assumption is used in this valuation
Salary Increases	3.75%-14.5%, including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
Other Information	
Notes	There were no benefit changes during the year.

See independent auditor's report.

NOTE 4 - continued

B. Police Pension Plan

Valuation Date	5/1/2017
Actuarial Cost Method	Entry Age Normal
Amortization Method	Straight-line
Remaining Amoritzation Period	24 Year as of April 30, 2017
Amortization Growth Rate	4.80%
Asset Valuation Method	Market value
Inflation	3.00% per year
Salary Increases	3.5%-9.91% per year until the assumed retirement age
Investment Rate of Return	7.0% per year
Retirement Age	50-70
Mortality	Mortality Table RP-2014 Study, with Blue Collar Adjustment

C. Fire Pension Plan

Valuation Date	5/1/2017
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent of pay, closed
Remaining Amortization Period	26 years
Asset Valuation Method	5-Year Average Market Value (PA-096-1495)
Inflation	2.5% per year
Salary Increases	4.5%
Investment Rate of Return	7.0%
Retirement Age	50-70
Mortality	RP 2014 Mortality Table, with Blue Collar Adjustment

OTHER SUPPLEMENTARY INFORMATION

SCHEDULE 8

CITY OF PEKIN, ILLINOIS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2017

	Original and Final Budget	Actual	Variance Over (Under)
Revenues:			
Property taxes	$ 5,135,423	$ 5,174,202	$ 38,779
Replacement taxes	1,407,375	1,360,655	(46,720)
Income taxes	3,475,000	3,214,649	(260,351)
State sales, use, and gaming taxes	6,523,000	6,618,876	95,876
Local sales and use taxes	4,075,000	4,055,960	(19,040)
Local food/beverage tax	1,220,000	1,115,168	(104,832)
Local packaged liquor tax	210,000	184,696	(25,304)
Local motor fuel taxes	270,000	273,480	3,480
Telecommunication tax	725,000	678,928	(46,072)
Intergovernmental	84,100	155,288	71,188
Franchise fees	538,229	580,029	41,800
Fire protection fees	497,584	502,573	4,989
Charges for services	1,491,947	130,381	(1,361,566)
Fines and collections	1,154,400	532,173	(622,227)
Parking lot rentals	9,500	7,530	(1,970)
Other rentals and sale of property	169,750	200,517	30,767
Licenses and permits	533,350	257,611	(275,739)
Reimbursements and restitutions	165,858	94,976	(70,882)
Interest earnings	95,000	58,067	(36,933)
Other revenues	1,201,000	28,379	(1,172,621)
Total revenues	28,981,516	25,224,138	(3,757,378)
Expenditures:			
General government	3,074,706	3,235,829	161,123
Streets	4,196,479	2,132,576	(2,063,903)
Police	10,882,417	10,504,360	(378,057)
Fire	9,338,662	9,463,639	124,977
Public works	365,093	370,017	4,924
Zoning and inspection	822,443	612,552	(209,891)
Public lands and buildings	723,246	520,342	(202,904)
Total expenditures	29,403,046	26,839,315	(2,563,731)
Deficiency of revenues over expenditures	(421,530)	(1,615,177)	(1,193,647)
Other financing sources (uses):			
Transfers in	434,314	1,521,527	1,087,213
Transfers out	-	(927,867)	927,867
Loan proceeds	782,000	67,911	(714,089)
Total net other financing sources:	1,216,314	661,571	(554,743)
Net change in fund balance	$ 794,784	(953,606)	$ (1,748,390)
Fund balance, beginning of year		11,009,323	
Fund balance, end of year		$ 10,055,717	

SCHEDULE 8
(continued)

CITY OF PEKIN, ILLINOIS
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2017

	Original and Final Budget	Actual	Variance Over (Under)
General government:			
Administrative:			
Personnel costs	$ 298,639	$ 259,807	$ (38,832)
Supplies	700	759	59
Other services and charges	97,350	102,443	5,093
Capital outlay	100	4,497	4,397
Total administrative	396,789	367,506	(29,283)
Legal:			
Other services and charges	285,000	78,145	(206,855)
City Clerk:			
Personnel costs	180,201	179,546	(655)
Supplies	650	656	6
Other services and charges	7,368	5,548	(1,820)
Total city clerk	188,219	185,750	(2,469)
Finance/Treasurer:			
Personnel costs	298,642	298,402	(240)
Supplies	4,980	4,107	(873)
Other services and charges	71,699	126,498	54,799
Capital outlay	500	-	(500)
Total finance	375,821	429,007	53,186
Personnel:			
Personnel costs	113,012	56,245	(56,767)
Supplies	500	329	(171)
Other services and charges	11,909	31,803	19,894
Total personnel	125,421	88,377	(37,044)
Information technology:			
Personnel costs	190,701	189,073	(1,628)
Supplies	550	431	(119)
Other services and charges	419,755	415,919	(3,836)
Capital outlay	4,000	2,190	(1,810)
Total information technology	615,006	607,613	(7,393)

SCHEDULE 8
(continued)

CITY OF PEKIN, ILLINOIS
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2017

	Original and Final Budget	Actual	Variance Over (Under)
Non-departmental:			
Supplies	5,000	483	(4,517)
Other services and charges	361,150	460,962	99,812
Debt service-principal	702,000	787,046	85,046
Debt service-interest	19,300	230,940	211,640
Capital outlay	1,000	-	(1,000)
Total non-departmental	1,088,450	1,479,431	390,981
Total general government	3,074,706	3,235,829	161,123
Streets:			
Personnel costs	1,250,029	1,254,608	4,579
Supplies	16,800	10,845	(5,955)
Other services and charges	914,650	845,936	(68,714)
Capital outlay	2,015,000	21,187	(1,993,813)
Total streets	4,196,479	2,132,576	(2,063,903)
Police:			
Personnel costs	7,320,157	7,098,113	(222,044)
Supplies	38,594	32,868	(5,726)
Other services and charges	3,267,180	3,173,983	(93,197)
Capital outlay	256,486	199,396	(57,090)
Total police	10,882,417	10,504,360	(378,057)
Fire:			
Personnel costs	6,062,846	6,341,342	278,496
Supplies	82,449	41,576	(40,873)
Other services and charges	3,095,463	2,990,541	(104,922)
Capital outlay	97,904	90,180	(7,724)
Total fire	9,338,662	9,463,639	124,977
Public works:			
Personnel costs	327,803	341,747	13,944
Supplies	1,100	1,056	(44)
Other services and charges	36,040	26,742	(9,298)
Capital outlay	150	472	322
Total public works	365,093	370,017	4,924

SCHEDULE 8
(continued)

CITY OF PEKIN, ILLINOIS
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2017

	Original and Final Budget	Actual	Variance Over (Under)
Zoning and inspection:			
Personnel costs	649,688	405,465	(244,223)
Supplies	2,400	1,920	(480)
Other services and charges	144,855	182,455	37,600
Capital outlay	25,500	22,712	(2,788)
Total zoning and inspection	822,443	612,552	(209,891)
Public land and buildings:			
Personnel costs	85,360	94,959	9,599
Supplies	20,000	17,425	2,575
Other services and charges	406,886	390,006	(16,880)
Capital outlay	211,000	17,952	(193,048)
Total public land and buildings	723,246	520,342	(197,754)
Total general fund	$ 29,403,046	$ 26,839,315	$ (2,563,731)

CITY OF PEKIN, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
APRIL 30, 2017

	Special Revenue					
	Tourism Fund	HUD Metro Development Fund	Motor Fuel Tax Fund	TIF South Ind Park Conservation Area Fund	Capital Projects Fund	Total
ASSETS						
Cash	$235,419	$ 6,698	$ 2,142,807	$ -	$ -	$ 2,384,924
Investments	-	-	1,245,000	-	-	1,245,000
Receivables:						
Accounts, fees and other taxes	13,110	-	77,906	-	122,469	213,485
Loans	-	1,159,232	-	-	-	1,159,232
Developer agreement	-	-	-	-	207,960	207,960
Total assets	$248,529	$1,165,930	$ 3,465,713	$ -	$ 330,429	$ 5,210,601
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE						
LIABILITIES:						
Cash overdraft	$ -	$ -	$ -	$ 33,796	$ 3,595,570	$ 3,629,366
Accounts payable	-	61,885	3,206	-	2,400	67,491
Accrued wages	313	1,730	-	-	-	2,043
Total liabilities	313	63,615	3,206	33,796	3,597,970	3,698,900
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues	-	-	-	-	307,960	307,960
Total liabilities and deferred inflows of resources	313	63,615	3,206	33,796	3,905,930	4,006,860
FUND BALANCES						
Restricted	-	1,102,315	3,462,507	-	-	4,564,822
Assigned	248,216	-	-	-	-	248,216
Unassigned	-	-	-	(33,796)	(3,575,501)	(3,609,297)
Total fund balances	248,216	1,102,315	3,462,507	(33,796)	(3,575,501)	1,203,741
Total liabilities, deferred inflows of resources, and fund balance	$248,529	$1,165,930	$ 3,465,713	$ -	$ 330,429	$ 5,210,601

CITY OF PEKIN, ILLINOIS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2017

	Special Revenue					
	Tourism Fund	HUD Metro Development Fund	Motor Fuel Tax Fund	TIF South Ind Park Conservation Area Fund	Capital Projects Fund	Total
Revenues:						
Taxes:						
Motel tax	$ 154,714	$ -	$ -	$ -	$ -	$ 154,714
Motor fuel taxes	-	-	864,163	-	257,864	1,122,027
Intergovernmental	-	383,974	-	-	-	383,974
Investment earnings	1,318	933	9,000	-	2,685	13,936
Other revenues	567	4,037	1,129	-	89,960	95,693
Total revenues	156,599	388,944	874,292	-	350,509	1,770,344
Expenditures:						
Current:						
General government/administrative	24,376	69,422	-	-	-	93,798
Tourism/development	52,043	-	-	-	-	52,043
Public works-streets	-	-	188,722	-	-	188,722
Planning and development	-	-	-	-	-	-
Residential and public improvements/ donations	-	255,108	-	-	-	255,108
Capital outlay	-	116,172	-	-	5,304,344	5,420,516
Debt service:						
Principal	82,933	-	-	-	-	82,933
Interest	13,528	-	-	-	-	13,528
Total expenditures	172,880	440,702	188,722	-	5,304,344	6,106,648
Net change in fund balance	(16,281)	(51,758)	685,570	-	(4,953,835)	(4,336,304
Fund balances, beginning of year	264,497	1,154,073	2,776,937	(33,796)	1,378,334	5,540,045
Fund balances, end of year	$ 248,216	$ 1,102,315	$ 3,462,507	$ (33,796)	$ (3,575,501)	$ 1,203,741

CITY OF PEKIN, ILLINOIS
TOURISM SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2017

	Final Budget	Actual	Variance Over (Under)
Revenues:			
Motel tax	$ 182,000	$ 154,714	$ (27,286)
Investment earnings	500	1,318	818
Other	-	567	567
Total revenues	182,500	156,599	(25,901)
Expenditures:			
Administrative	45,875	10,377	(35,498)
Regional dues	74,000	14,000	(60,000)
Development grants	25,000	11,057	(13,943)
Public relations/promotions	35,300	18,074	(17,226)
Contractual services	30,000	22,911	(7,089)
Debt service-principal	82,933	82,933	-
Debt service-interest	13,529	13,528	(1)
Total expenditures	306,637	172,880	(133,757)
Net change in fund balance	$ (124,137)	(16,281)	$ 107,856
Fund balance, beginning of year		264,497	
Fund balance, end of year		$ 248,216	

Attachment: 2017 FINANCIAL STATEMENTS COMBINED (1337 : Audit FY 16-17)

SCHEDULE 12

CITY OF PEKIN, ILLINOIS
HUD METRO DEVELOPMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2017

	Final Budget	Actual	Variance Over (Under)
Revenues:			
Federal grants	$ 356,357	$ 383,974	$ 27,617
Program income	10,000	4,037	(5,963)
Investment earnings	-	933	933
Total revenues	366,357	388,944	22,587
Expenditures:			
General government	68,271	69,422	1,151
Residential housing rehabilitation	237,949	176,884	(61,065)
Public facility projects/public contributions	60,093	194,396	134,303
Total expenditures	366,313	440,702	74,389
Net change in fund balance	$ 44	(51,758)	$ (51,802)
Fund balance, beginning of year		1,154,013	
Fund balance, end of year		$ 1,102,255	

SCHEDULE 13

CITY OF PEKIN, ILLINOIS
MOTOR FUEL TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2017

	Final Budget	Actual	Variance Over (Under)
Revenues:			
Motor fuel taxes	$ 875,000	$ 864,163	$ (10,837)
Investment earnings	21,000	9,000	(12,000)
Other revenue	-	1,129	1,129
Total revenues	896,000	874,292	(21,708)
Expenditures:			
Street construction and maintenance	2,080,000	188,722	(1,891,278)
Net change in fund balance	$ (1,184,000)	685,570	$ 1,869,570
Fund balance, beginning of year		2,776,937	
Fund balance, end of year		$ 3,462,507	

SCHEDULE 1

CITY OF PEKIN, ILLINOIS
TIF SOUTH INDUSTRIAL PARK CONSERVATION AREA FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2017

	Final Budget	Actual	Variance Over (Under)
Revenues	$ -	$ -	$ -
Expenditures	-	-	-
Net change in fund balance	$ -	-	$ -
Fund balance (deficit), beginning of year		(33,796)	
Fund balance (deficit), end of year		$ (33,796)	

SCHEDULE 15

CITY OF PEKIN, ILLINOIS
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2017

	Final Budget	Actual	Variance Over (Under)
Revenues:			
Local motor fuel tax	$ 270,000	$ 257,864	$ (12,136)
Investment earnings	15,000	2,685	(12,315)
Other revenues	-	89,960	89,960
Total revenues	285,000	350,509	65,509
Expenditures:			
Administrative costs	250	-	(250)
Capital outlay-land acquisition and construction	6,550,000	5,304,344	(1,245,656)
Total expenditures	6,550,250	5,304,344	(1,245,906)
Net change in fund balance	$ (6,265,250)	(4,953,835)	$ 1,311,415
Fund balance, beginning of year		1,378,334	
Fund balance, end of year		$ (3,575,501)	

SCHEDULE 16

CITY OF PEKIN, ILLINOIS
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
APRIL 30, 2017

	Economic Development Fund	Pekin Airport Fund	Solid Waste Fund	Total
ASSETS				
Current assets:				
Accounts receivable	$ -	$ 3,762	$ 151,856	$ 155,618
Accrued interest receivable	25,764	-	-	25,764
Fuel inventory	-	7,260	-	7,260
Total current assets	25,764	11,022	151,856	188,642
Noncurrent assets:				
Loans receivable	11,483,450	-	-	11,483,450
Capital assets:				
Land and improvements	-	1,252,502	-	1,252,502
Buildings	-	794,276	-	794,276
Equipment	-	246,292	1,726,388	1,972,680
Less accumulated depreciation	-	(1,414,070)	(1,177,147)	(2,591,217)
Total capital assets (net of accumulated depreciation)	-	879,000	549,241	1,428,241
Total noncurrent assets	11,483,450	879,000	549,241	12,911,691
Total assets	$11,509,214	$ 890,022	$ 701,097	$ 13,100,333
LIABILITIES				
Current liabilities:				
Cash overdraft	$ 457,158	$ 694,340	$ 1,174,455	$ 2,325,953
Accounts payable	487	4,286	56,504	61,277
Accrued wages	939	1,040	12,353	14,332
Due to other fund	138,568	-	-	138,568
Noncurrent liabilities:				
Portion payable within one year:				
Bank loans payable	861,000	-	-	861,000
Portion payable after one year:				
Bank loans payable	7,690,265	-	-	7,690,265
Total liabilities	9,148,417	699,666	1,243,312	11,091,395
NET POSITION				
Net investment in capital assets	-	879,000	549,241	1,428,241
Unrestricted	2,360,797	(688,644)	(1,091,456)	580,697
Total net position	$ 2,360,797	$ 190,356	$ (542,215)	$ 2,008,938

CITY OF PEKIN, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED APRIL 30, 2017

	Economic Development Fund	Pekin Airport Fund	Solid Waste Fund	Total
Operating revenues, charges for services	$ 1,175	$ 208,304	$ 2,069,025	$ 2,278,504
Operating expenses:				
Personnel costs	31,513	84,428	1,159,738	1,275,679
Supplies	28	550	3,943	4,521
Other services and charges	72,495	247,259	1,016,694	1,336,448
Depreciation	-	46,607	119,761	166,368
Total operating expenses	104,036	378,844	2,300,136	2,783,016
Operating loss	(102,861)	(170,540)	(231,111)	(504,512)
Nonoperating revenues (expenses):				
Grants	-	65,264	-	65,264
Loan interest earnings	306,458	-	-	306,458
Interest expense	(123,150)	-	-	(123,150)
Total nonoperating revenues	183,308	65,264	-	248,572
Change in net position before transfers	80,447	(105,276)	(231,111)	(255,940)
Transfers out (operating)	-	-	(193,095)	(193,095)
Transfers in (operating)	-	-	404,475	404,475
Net transfers in	-	-	211,380	211,380
Change in net position	80,447	(105,276)	(19,731)	(44,560)
Net position, beginning of year	2,280,350	295,632	(522,484)	2,053,498
Net position, end of year	$ 2,360,797	$ 190,356	$ (542,215)	$ 2,008,938

SCHEDULE 18

CITY OF PEKIN, ILLINOIS
STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED APRIL 30, 2017

	Economic Development Fund	Pekin Airport Fund	Solid Waste Fund	Total
Cash flows from operating activities:				
Receipts from services and fees	$ 1,175	$ 207,719	$ 1,979,754	$ 2,188,648
Payments for personnel costs	(31,561)	(84,408)	(1,038,154)	(1,154,123)
Payments to vendors and suppliers	4,716	(230,863)	(1,116,944)	(1,343,091)
Net cash used by operating activities	(25,670)	(107,552)	(175,344)	(308,566)
Cash flows from noncapital financing activities:				
Grant receipts	-	65,264	-	65,264
Net transfers in	-	-	211,380	211,380
Net cash provided by noncapital financing activities	-	65,264	211,380	276,644
Cash flows from capital related activities:				
Purchase of capital assets	-	(9,700)	-	(9,700)
Proceeds from bank loan	6,577,998	-	-	6,577,998
Principal paid on bank and lease/purchase loans	(411,194)	(4,486)	-	(415,680)
Interest paid on bank loans	(123,150)	-	-	(123,150)
Net cash provided (used) by capital related activities	6,043,654	(14,186)	-	6,029,468
Cash flows from investing activities:				
Interest income	306,458	-	-	306,458
Issuance of loan receivable	(6,577,998)	-	-	(6,577,998)
Principal received on loans receivable	259,997	-	-	259,997
Net cash used by investing activities	(6,011,543)	-	-	(6,011,543)
Net increase (decrease) in cash	6,441	(56,474)	36,036	(13,997)
Cash (overdraft), beginning of year	(463,599)	(637,866)	(1,210,491)	(2,311,956)
Cash (overdraft), end of year	$ (457,158)	$ (694,340)	$ (1,174,455)	$ (2,325,953)
Reconciliation of operating loss to net cash provided (used) by operating activities:				
Operating loss	$ (102,861)	$ (170,540)	$ (231,111)	$ (504,512)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:				
Depreciation	-	46,607	119,761	166,368
Changes in assets and liabilities:				
(Increase) decrease in receivables	(25,764)	(585)	(89,271)	(115,620)
Decrease in due from other funds	-	2,860	-	2,860
Decrease in fuel inventory	-	28,779	-	28,779
Decrease in deferred loan interest	-	697	-	697
Increase (decrease) in accounts payable	(35,565)	(15,390)	26,203	(24,752)
Increase (decrease) in accrued wages	(48)	20	(926)	(954)
Increase in due to other funds	138,568	-	-	138,568
Net cash used by operating activities	$ (25,670)	$ (107,552)	$ (175,344)	$ (308,566)

SCHEDULE 19

CITY OF PEKIN, ILLINOIS
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
APRIL 30, 2017

	Vehicle Maintenance Fund	Employees Benefits Fund	Total
ASSETS			
Current assets:			
Cash	$ 68,213	$ -	$ 68,213
Accounts receivable	2,640	28,960	31,600
Fuel inventory, at cost	19,989	-	19,989
Total current assets	90,842	28,960	119,802
Noncurrent assets:			
Capital assets:			
Equipment	73,521	-	73,521
Less accumulated depreciation	(67,125)	-	(67,125)
Total capital assets	6,396	-	6,396
Total assets	$ 97,238	$ 28,960	$ 126,198
LIABILITIES			
Current liabilities:			
Cash overdraft	$ -	$ 800,241	$ 800,241
Accounts payable	13,320	18,858	32,178
Accrued wages	1,733	-	1,733
Accrued retiree benefit premiums	-	384,210	384,210
Due to other funds	-	6,000	6,000
Total current liabilities	15,053	1,209,309	1,224,362
NET POSITION			
Net investment in capital assets	6,396	-	6,396
Unrestricted (deficit)	75,789	(1,180,349)	(1,104,560)
Total net position	$ 82,185	$ (1,180,349)	$ (1,098,164)

CITY OF PEKIN, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED APRIL 30, 2017

	Vehicle Maintenance Fund	Employees Benefits Fund	Total
Operating revenues, charges for services	$ 548,908	$ 4,736,181	$ 6,285,089
Operating expenses:			
Personnel costs	30,428	-	30,428
Cost of fuel and parts sold	553,836	-	553,836
Insurance claims and premiums paid	-	6,319,422	6,319,422
Other services and charges	7,792	151,312	159,104
Depreciation	3,479	-	3,479
Total operating expenses	595,535	6,470,734	7,066,269
Operating loss	(46,627)	(734,553)	(781,180)
Nonoperating revenues:			
Interest earnings	-	1,063	1,063
Change in net position before transfers	(46,627)	(733,490)	(780,117)
Transfer in - operating	523,392	-	523,392
Change in net position	476,765	(733,490)	(256,725)
Net position, beginning of year	(394,580)	(446,859)	(841,439)
Net position, end of year	$ 82,185	$ (1,180,349)	$ (1,098,164)

SCHEDULE 21

CITY OF PEKIN, ILLINOIS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED APRIL 30, 2017

	Vehicle Maintenance Fund	Employees Benefit Fund	Total
Cash flows from operating activities:			
Receipts from services	$ 546,268	$ 5,736,181	$ 6,282,449
Payments for personnel costs	(28,889)	-	(28,889)
Payments to vendors and suppliers	(508,623)	(6,350,345)	(6,858,968)
Net cash provided (used) by operating activities	8,756	(614,164)	(605,408)
Cash flows from noncapital financing activities:			
Transfers in	523,392	-	523,392
Cash flows from investing activities:			
Interest income	-	1,063	1,063
Net increase (decrease) in cash	532,148	(613,101)	(80,953)
Cash (overdraft) balance, beginning of year	(463,935)	(187,140)	(651,075)
Cash (overdraft) balance, end of year	$ 68,213	$ (800,241)	$ (732,028)
Reconciliation of operating loss to net cash provided (used) by operating activities:			
Operating loss	$ (46,627)	$ (734,553)	$ (781,180)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:			
Depreciation	3,479	-	3,479
Changes in net assets and liabilities:			
Increase in accounts receivable	(2,640)	-	(2,640)
Decrease in inventories	71,371	-	71,371
Increase (decrease) in accounts payable	(18,366)	11,836	(6,530)
Increase in accrued wages	1,539	-	1,539
Increase in accrued retiree benefit premiums	-	108,553	108,553
Net cash provided (used) by operating activities	$ 8,756	$ (614,164)	$ (605,408)

SCHEDULE 22

CITY OF PEKIN, ILLINOIS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PENSION TRUST FUNDS
APRIL 30, 2017

	Police Pension Fund	Fire Pension Fund	Total
ASSETS			
Cash	$ 207,676	$ 132,807	$ 340,483
Investments, at market value:			
Money market accounts	169,933	150,207	320,140
Corporate obligations	1,432,118	1,296,610	2,728,728
U.S. Treasury and Agency obligations	8,072,286	6,027,369	14,099,655
State and municipal obligations	341,000	304,941	645,941
Equity funds	6,395,470	5,773,291	12,168,761
Equity mutual funds	13,807,588	10,045,864	23,853,452
Accrued interest income	69,841	-	69,841
Prepaid expenses	4,917	-	4,917
Total assets	30,500,829	23,731,089	54,231,918
LIABILITIES			
Current liabilities:			
Accounts payable	7,423	-	7,423
NET POSITION			
Restricted-held in trust for pension benefits	$ 30,493,406	$ 23,731,089	$ 54,224,495

SCHEDULE 23

CITY OF PEKIN, ILLINOIS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION TRUST FUNDS
FOR THE YEAR ENDED APRIL 30, 2017

	Police Pension Fund	Fire Pension Fund	Total
ADDITIONS:			
Contributions:			
Employer	$ 1,599,022	$ 2,466,193	$ 4,065,215
Plan members	541,097	395,113	936,210
Total contributions	2,140,119	2,861,306	5,001,425
Investment income:			
Net realized gains on investment sales and net appreciation in fair market value of investments	2,194,873	1,780,661	3,975,534
Interest/dividends	671,880	516,868	1,188,748
Total investment income	2,866,753	2,297,529	5,164,282
Less investment expenses	(86,787)	(78,616)	(165,403)
Net investment income	2,779,966	2,218,913	4,998,879
Total additions	4,920,085	5,080,219	10,000,304
DEDUCTIONS:			
Benefits	2,409,154	3,450,939	5,860,093
Administrative expenses	79,448	29,292	108,740
Total deductions	2,488,602	3,480,231	5,968,833
Change in net position	2,431,483	1,599,988	4,031,471
Net position, beginning of year	28,061,923	22,131,101	50,193,024
Net position, end of year	$ 30,493,406	$ 23,731,089	$ 54,224,495

Attachment: 2017 FINANCIAL STATEMENTS COMBINED (1337 : Audit FY 16-17)

SUPPORTING SCHEDULES

UNAUDITED STATISTICAL INFORMATION

SCHEDULE A

CITY OF PEKIN, ILLINOIS
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION*
LAST TEN FISCAL YEARS

Year Ended April 30,	General Government	Public Safety	Highways and Streets	Sanitation	Library Services	Tourism	Zoning and Inspection	Debt Service	Public Land and Buildings	Public Works	Planning and Development	Capital Outlay	Total
2008	$ 1,776,954	$ 13,806,681	$ 2,850,716	$ 1,705,853	$ 1,008,530	$ 61,890	$ 451,477	$ 968,992	$ 767,345	$ 218,113	$ 886,332	$ 1,394,868	$ 25,897,
2009	1,421,801	14,345,011	3,626,573	1,869,204	1,058,861	107,291	458,952	1,231,356	847,601	254,135	2,781,391	2,009,831	30,012,
2010	1,588,525	14,887,305	3,031,362	1,905,143	1,059,727	85,224	521,935	909,337	740,231	260,223	2,264,592	631,528	27,885,
2011	1,752,354	15,658,256	2,582,900	1,863,561	1,105,317	141,268	519,373	882,457	872,608	298,627	896,267	778,354	27,351,
2012	1,858,236	16,115,989	2,656,052	1,871,409	1,125,396	104,016	505,918	1,855,239	918,618	363,238	2,767,976	838,964	30,981,
2013	2,729,386	16,742,100	2,011,529	1,608,399	1,033,907	111,595	656,515	324,194	735,194	235,711	3,028,606	2,182,475	31,399,
2014	2,021,906	18,709,652	2,574,642	1,890,052	1,226,623	578,317	652,434	318,004	444,063	242,896	823,784	3,747,836	33,230,
2015	1,887,623	17,958,257	3,390,611	-	1,181,977	101,749	535,799	463,769	522,986	339,974	895,378	11,062,344	38,340,
2016	2,226,995	18,667,352	2,869,957	-	1,164,213	302,008	625,589	922,479	566,570	323,878	1,295,582	14,998,529	43,963,
2017	2,309,710	19,678,423	2,300,111	-	1,263,616	52,043	589,840	1,114,447	502,390	369,545	462,471	6,005,311	34,647,

*Includes General, Special Revenue and Capital Project Funds.
Source: Statement of Revenues, Expenditures, and Changes in Fund Balance 2008-2017.

This schedule is unaudited-see the accountant's report regarding this information.

SCHEDULE B

CITY OF PEKIN, ILLINOIS
GENERAL REVENUES BY SOURCE
ALL GOVERNMENTAL FUND TYPES*
LAST TEN FISCAL YEARS

Year Ended April 30,	Taxes	Licenses and Permits	Intergovernmental	Fees and Charges for Services	Fines and Collections	Investment Earnings	Other Revenues	Total
2008	$ 23,352,920	$ 290,739	$ 485,555	$1,106,192	$ 362,158	$ 753,664	$ 573,760	$ 26,924,988
2009	22,965,632	234,724	1,503,090	1,410,119	409,925	382,949	604,110	27,510,549
2010	23,224,827	231,856	611,306	1,192,604	657,508	375,821	794,835	27,088,757
2011	23,901,372	200,997	1,134,451	1,302,437	633,763	381,544	286,437	27,841,001
2012	24,690,100	227,653	3,088,267	1,198,655	509,842	210,670	310,472	30,235,659
2013	25,734,197	235,960	794,200	1,355,899	497,713	157,226	875,574	29,650,769
2014	25,094,208	272,271	22,365,902	1,560,323	517,325	151,939	382,711	50,344,679
2015	25,531,559	233,416	1,774,330	1,323,290	479,717	298,744	1,287,107	30,928,163
2016	25,265,157	292,428	353,145	1,511,668	451,492	168,714	219,310	28,261,914
2017	25,600,070	257,611	565,734	1,491,124	532,173	97,331	252,447	28,796,490

*Includes General, Special Revenue and Capital Project Funds.
Source: Statement of Revenues, Expenditures, and Changes in Fund Balance: 2008-2017.

This schedule is unaudited-see the accountant's report regarding this information.

CITY OF PEKIN, ILLINOIS
TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS

Year Ended April 30,	Property Taxes	Road and Bridge Tax	State Income Tax	State Sales/Use Gaming Taxes	Local Sales Tax	Food/Bev Tax	Packaged Liquor Tax	Local Motel Tax	Replacement Tax	State Motor Fuel Tax	Local Motor Fuel Tax	Foreign Fire Tax	Telecom. Tax	Total
2008	$ 5,738,892	$ 46,957	$ 3,189,883	$ 5,700,610	$ 4,262,912	$ -	$ -	$ 162,007	$ 1,482,914	$ 945,211	$ 594,124	$ 23,561	$ 1,231,410	$ 23,376
2009	5,870,419	90,182	2,981,635	5,636,165	4,230,405	-	-	172,514	1,296,845	899,216	594,294	-	1,193,957	22,965
2010	6,197,568	85,503	2,611,283	5,318,971	4,200,862	905,008	165,258	95,025	1,125,851	854,452	562,248	-	1,102,798	23,224
2011	6,223,214	62,635	2,620,092	5,679,693	4,268,935	918,592	172,699	89,515	1,398,073	856,521	549,012	-	1,062,391	23,901
2012	6,393,404	55,478	2,888,651	5,891,284	4,421,659	981,727	176,765	150,152	1,247,997	840,776	599,806	-	1,042,401	24,690
2013	6,360,513	56,421	3,225,988	6,511,681	4,490,284	1,054,203	182,552	147,786	1,320,629	811,866	582,238	-	990,036	25,734
2014	6,499,529	61,539	3,255,822	6,161,108	4,035,132	1,036,454	181,859	157,158	1,380,381	841,706	565,578	-	917,942	25,094
2015	6,560,353	42,461	3,434,826	6,288,769	4,140,903	1,053,956	179,828	165,200	1,440,929	835,546	522,328	-	866,460	25,531
2016	6,670,644	41,832	3,487,366	6,030,482	4,026,071	1,156,502	211,792	178,246	1,328,824	872,086	530,824	-	730,488	25,265
2017	6,664,683	41,363	3,214,649	6,618,876	4,055,960	1,115,168	184,696	154,714	1,475,526	864,163	531,344	-	678,928	25,600

Source: Annual Financial Reports 2008-2017.

This schedule is unaudited-see the accountant's report regarding this information.

SCHEDULE D

CITY OF PEKIN, ILLINOIS
SCHEDULE OF 2016 TAX LEVY AND ESTIMATED COLLECTION IN 2017

Assessed valuation: $ 449,770,814

	Levy	Rate	Extension	Estimated Collection
Taxes assessed:				
IMRF	$ 304,172	.06883	$ 304,198	$ 301,156
Fire pension	2,954,100	.66842	2,954,116	2,924,575
Police pension	1,745,600	.39498	1,745,634	1,728,178
Library	1,076,490	.24392	1,076,498	1,065,733
Bonds and interest	404,505	.09153	404,521	400,476
	$ 6,484,867	1.46768	$ 6,484,967	6,420,118
City's 50% share of Road and Bridge Tax levied by Township's within the City limits				42,619
				$6,462,737

This schedule is unaudited-see the accountant's report regarding this information.

SCHEDUL

CITY OF PEKIN, ILLINOIS
SCHEDULE OF PROPERTY TAXES LEVIED AND COLLECTED FOR LATEST THREE (3) YEAR PERIOD

	2013				2014				2015			
Assessed valuation		$ 442,481,325				$ 442,258,417				$ 443,667,741		
Taxes assessed:	Levy	Rate	Extension	Total Collection	Levy	Rate	Extension	Total Collection	Levy	Rate	Extension	Total Collect
Corporate	$ 642,072	.14808	$ 642,092	$ 641,192	$ 210,000	.04851	$ 210,030	$ 209,559	$ 55,000	.01262	$ 55,023	$ 54,
IMRF	658,170	.15179	658,179	657,257	719,190	.16611	719,192	717,643	742,923	.17040	742,941	740,
Fire pension	2,190,515	.50518	2,190,518	2,187,478	2,300,041	.53124	2,300,063	2,295,035	2,382,000	.54634	2,382,033	2,373,
Police pension	1,482,458	.34189	1,482,474	1,480,418	1,526,932	.35268	1,526,968	1,523,628	1,553,500	.35631	1,553,506	1,547,
Library	1,095,530	.25266	1,095,545	1,096,037	1,022,530	.23618	1,022,568	1,021,724	1,044,140	.23982	1,044,148	1,041,
Bonds and interest	-	-	-	-	403,091	.09311	403,130	402,234	403,849	.09263	403,865	402,
	$6,068,745	1.39960	$6,068,808	6,062,382	$ 6,181,784	1.42783	$ 6,181,951	6,169,823	$ 6,181,412	1.41812	$ 6,181,516	6,159,
City's 50% share of Road and Bridge Tax levied by Townships within City limits				42,438				41,832				41,
				$ 6,104,820				$ 6,211,655				$6,201,

This schedule is unaudited-see the accountant's report regarding this information.

SCHEDULE F

CITY OF PEKIN, ILLINOIS
POLICE PENSION AND FIRE PENSION FUNDS
SCHEDULE OF FUNDING PROGRESS
LAST TEN FISCAL YEARS

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
POLICE PENSION FUND:						
4/30/17	$ 31,345,199	$ 52,320,137	$ 20,974,938	59.91%	$ 4,220,104	497.02%
4/30/16	29,862,802	50,496,324	20,633,522	59.14%	4,071,063	506.83%
4/30/15	28,767,140	46,453,072	17,685,932	61.93%	3,941,373	448.72%
4/30/14	27,292,604	45,915,036	18,622,432	59.44%	3,781,866	492.41%
4/30/13	25,612,014	43,572,257	17,960,243	58.78%	3,657,611	491.04%
4/30/12	24,165,275	42,204,694	18,039,419	57.3%	3,433,325	525.42%
4/30/11	23,212,083	41,964,757	18,752,674	55.3%	3,269,927	573.49%
4/30/10	21,220,112	37,724,433	16,504,321	56.3%	3,219,123	512.70%
4/30/09	19,136,989	35,556,321	16,419,332	53.8%	3,347,537	490.49%
4/30/08	20,969,340	33,647,827	12,678,487	62.3%	3,263,096	388.54%
FIRE PENSION FUND:						
4/30/17	$ 24,281,721	$ 62,391,376	$ 38,109,655	38.92%	$ 4,017,170	948.67%
4/30/16	23,431,454	64,500,941	41,069,487	36.33%	3,471,056	1183.20%
4/30/15	22,613,492	56,140,990	33,527,498	40.28%	3,750,045	894.06%
4/30/14	21,290,965	52,094,952	30,803,987	40.86%	3,809,033	808.71%
4/30/13	20,220,253	48,214,440	27,994,187	41.94%	3,578,801	782.22%
4/30/12	18,986,284	45,638,564	26,652,280	41.60%	3,499,291	761.65%
4/30/11	17,850,399	44,271,251	26,420,852	40.32%	3,408,144	775.23%
4/30/10	15,963,616	44,005,491	28,041,875	36.3%	3,284,976	853.64%
4/30/09	13,682,722	42,749,824	29,067,102	32.0%	3,022,445	961.71%
4/30/08	15,707,222	39,302,791	23,595,569	39.96%	2,839,776	830.90%

This schedule is unaudited-see the accountant's report regarding this information.

CITY OF PEKIN, ILLINOIS
POLICE AND FIRE PENSION FUNDS
STATEMENT OF REVENUES AND OTHER RECEIPTS AND EXPENDITURES
LAST TEN FISCAL YEARS

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
POLICE PENSION FUND										
Revenues and other receipts:										
Property taxes	$ 1,547,762	$ 1,523,628	$ 1,480,418	$ 1,394,587	$ 1,643,607	$ 1,366,304	$ 1,341,941	$ 1,115,209	$ 841,313	$ 985,0
Replacement taxes	51,260	53,823	53,823	50,290	48,825	45,384	38,788	35,743	31,967	33,8
Payroll deductions/member contributions	541,097	425,580	408,953	457,179	368,708	360,876	361,849	330,171	331,027	328,4
Investment earnings (losses)	2,866,753	(374,540)	1,898,644	2,733,612	2,050,455	825,344	2,266,822	2,493,686	(1,291,720)	1,020,8
Total revenue and other receipts	5,006,872	1,628,491	3,841,838	4,635,668	4,111,595	2,597,908	4,009,400	3,974,809	(87,413)	2,368,2
Expenditures:										
Benefit payments	2,409,154	2,373,461	2,352,616	2,224,176	2,155,772	2,133,601	1,920,492	1,803,038	1,657,895	1,615,5
Other services and charges	166,235	175,727	146,842	110,289	156,400	136,776	96,937	88,648	87,043	87,0
Total expenditures	2,575,389	2,549,188	2,499,458	2,334,465	2,312,172	2,270,377	2,017,429	1,891,686	1,744,938	1,702,5
Change in net position	$ 2,431,483	$ (920,697)	$ 1,342,380	$ 2,301,203	$ 1,799,423	$ 327,531	$ 1,991,971	$ 2,083,123	$(1,832,351)	$ 665,6
FIRE PENSION FUND										
Revenues and other receipts:										
Property taxes	$ 2,373,220	$ 2,295,035	$ 2,187,478	$ 1,951,094	$ 2,291,072	$ 2,221,363	$ 2,170,512	$ 1,804,667	$ 1,458,161	$ 1,519,4
Replacement taxes	92,973	80,712	70,688	71,632	63,617	52,891	55,882	48,671	48,065	53,0
Payroll deductions/member contributions	395,113	389,998	358,384	380,308	342,039	326,254	314,324	320,935	333,368	315,4
Investment earnings (losses)	2,297,529	(362,128)	1,564,254	2,210,261	1,783,113	798,944	1,813,808	2,464,692	(1,745,248)	661,5
Total revenues and other receipts	5,158,835	2,403,617	4,180,804	4,613,295	4,479,841	3,399,452	4,354,526	4,638,965	94,346	2,549,4
Expenditures:										
Benefit payments	3,450,939	3,335,842	2,946,394	2,793,473	2,672,625	2,533,251	2,393,060	2,285,627	2,049,254	1,968,1
Other services and charges	107,908	104,777	110,280	111,706	97,818	90,141	74,683	72,444	69,592	74,3
Total expenditures	3,558,847	3,440,619	3,056,674	2,905,179	2,770,443	2,623,392	2,467,743	2,358,071	2,118,846	2,042,4
Change in net position	$ 1,599,988	$ (1,037,002)	$ 1,124,130	$ 1,708,116	$ 1,709,398	$ 776,060	$ 1,886,783	$ 2,280,894	$(2,024,500)	$ 506,9

Source: City of Pekin, Illinois Annual Financial Statements: 2008-2017.

This schedule is unaudited-see the accountant's report regarding this information.

OTHER REPORT

WILLOCK WARNING & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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PEKIN, ILLINOIS 61554

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the City Council
City of Pekin, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Pekin, Illinois, as of and for the year ended April 30, 2017, and the related notes to the financial statements, which collectively comprise City of Pekin, Illinois' basic financial statements, and have issued our report thereon dated November 29, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Pekin, Illinois' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Pekin, Illinois' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Pekin, Illinois' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Pekin, Illinois' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purposes.

Willock Warning & Co, PC

Willock Warning & Co., P.C.
Pekin, Illinois
November 29, 2017

REQUEST FOR COUNCIL ACTION **To: Council Members** **Date: February 6, 2018** **From: Nicole Stewart, Deputy Clerk** **Nicole Stewart, Deputy Clerk**
AGENDA ITEM: Treasurer's Report
AGENDA DATE REQUESTED: February 26, 2018
REQUIRED SIGNATURES
Department Directors and City Staff: Date:
Finance Department (Certification of Availability of Funds)**:** Date:
City Manager: Date:

CITY OF PEKIN

REVENUES OVER EXPENSES - ALL CITY FUNDS

NINE MONTHS ENDED JANUARY 31, 2018

	FUND	ACTUAL - NINE MONTHS ENDED 1/31/18 REVENUE	ACTUAL - NINE MONTHS ENDED 1/31/18 EXPENSE	ACTUAL - NINE MONTHS ENDED 1/31/18 REVENUE OVER (UNDER) EXPENSE	BUDGET - NINE MONTHS ENDED 1/31/18 REVENUE	BUDGET - NINE MONTHS ENDED 1/31/18 EXPENSE	BUDGET - NINE MONTHS ENDED 1/31/18 REVENUE OVER (UNDER) EXPENSE	ACTUAL - NINE MONTHS ENDED 1/31/17 REVENUE	ACTUAL - NINE MONTHS ENDED 1/31/17 EXPENSE	ACTUAL - NINE MONTHS ENDED 1/31/17 REVENUI OVER (UNDI EXPENSI
	General									
	- Operations	$17,873,747	$17,729,030	$ 144,717	17,587,740	18,104,332	(516,592)	17,176,296	17,236,485	(60,18
(1)	- Storm Water	102,100	799,078	(696,978)	975,000	1,454,925	(479,925)	140	394,561	(394,42
	Total General fund Operations	17,975,847	18,528,108	(552,261)	18,562,740	19,559,257	(996,517)	17,176,436	17,631,046	(454,61
(2)	**Solid Waste**	1,763,994	2,570,830	(806,836)	1,730,250	1,877,152	(146,902)	2,042,402	1,706,943	335,45
	Tourism	141,234	204,948	(63,714)	136,875	198,617	(61,742)	126,931	151,318	(24,38
	Sewer									
(3)	- Operations	5,582,534	3,695,254	1,887,280	5,038,923	4,447,846	591,077	5,568,302	3,399,915	2,168,38
	- Debt / Construction related	-	-	-	3,300,000	3,000,000	300,000	16,168	137,976	(121,80
	Total Sewer Fund	5,582,534	3,695,254	1,887,280	8,338,923	7,447,846	891,077	5,584,470	3,537,891	2,046,57
	Motor Fuel	786,835	1,194,062	(407,227)	672,000	1,530,000	(858,000)	661,061	166,567	494,49
	HUD	112,160	240,388	(128,228)	269,250	269,250	-	30,637	176,250	(145,61
	TIF	499,312	218,664	280,648	405,000	464,888	(59,888)	512,083	133,303	378,78
(4)	**Capital Projects**	158,404	1,052,465	(894,061)	6,772,290	4,363,688	2,408,602	3,927	4,386,992	(4,383,06
(5)	**School Bus**	2,854,154	3,483,885	(629,731)	3,605,242	3,575,992	29,250	3,373,665	4,304,897	(931,23
(6)	**Airport**	191,134	356,128	(164,994)	158,336	325,402	(167,066)	215,134	222,595	(7,46
	Economic Development	320,632	810,007	(489,375)	231,000	387,624	(156,624)	223,695	443,304	(219,60
(7)	**Insurance**	5,332,188	4,160,520	1,171,668	3,870,933	4,253,230	(382,297)	4,617,634	5,000,757	(383,12
	Vehicle Maintenance	534,123	611,616	(77,493)	522,000	1,023,256	(501,256)	926,552	292,632	633,92
(8)	**TOTALS - ALL FUNDS**	$36,252,551	$37,126,875	(874,324)	$45,274,839	$45,276,202	(1,363)	$35,494,627	$38,154,495	(2,659,86
(9)	Totals W/O Sewer Debt/Const, Cap Proj, Econ Devel, Veh Maint, Insur	$29,907,204	$30,492,267	$ (585,063)	$30,578,616	$32,248,404	$ (1,669,788)	$29,706,651	$27,892,834	$ 1,813,81

CITY OF PEKIN
MAJOR REVENUE SOURCES
NINE MONTHS ENDED JANUARY 31, 2018

		4/30/18 Annual Budget	Prorated Percent	1/31/18 Prorated Budget	1/31/18 Actual Received 9 Months	Actual as a Percent of Budget	Actual Over(Under) 9 Month Budget	1/31/17 Actual Received 9 Months
	General Fund							
	Property Taxes	$ 830,000	100.00%	$ 830,000	$ 346,120	41.70%	$ (483,880)	$ 836,378
(A)	State Sales Taxes	6,720,000	75.00%	5,040,000	4,037,545	80.11%	(1,002,455)	4,077,030
(A)	Home Rule Taxes	4,020,000	75.00%	3,015,000	3,524,784	116.91%	509,784	3,028,067
	Income Taxes	3,475,000	75.00%	2,606,250	2,758,361	105.84%	152,111	2,613,956
	Replacement Taxes	1,240,000	75.00%	930,000	725,522	78.01%	(204,478)	738,782
	Use Tax	825,000	75.00%	618,750	624,134	100.87%	5,384	595,074
	Local Use Gas Tax	280,000	75.00%	210,000	204,106	97.19%	(5,894)	212,777
	Food & Beverage Tax	1,175,000	75.00%	881,250	873,487	99.12%	(7,763)	854,449
	Package Liquor Tax	200,000	75.00%	150,000	135,744	90.50%	(14,256)	149,577
	Telcommunications	690,000	75.00%	517,500	457,434	88.39%	(60,066)	514,067
	Video Gaming Tax	325,000	75.00%	243,750	259,125	106.31%	15,375	236,383
	Investment Earnings	75,000	75.00%	56,250	26,313	46.78%	(29,937)	61,055
	Franchise Fees	588,000	75.00%	441,000	431,163	97.77%	(9,837)	415,749
	Fees for Services	668,850	75.00%	501,638	402,707	80.28%	(98,931)	362,449
(B)	Fines & Forfeitures	940,293	75.00%	705,220	267,659	37.95%	(437,561)	375,646
	Licenses & Permits	253,350	75.00%	190,013	187,754	98.81%	(2,259)	152,435
(C)	Totals	22,305,493		16,936,620	15,261,958	90.11%	(1,674,662)	15,223,874
	Garbage Fund							
	Fees for Service	2,202,000	75.00%	1,651,500	1,641,843	99.42%	(9,657)	1,535,204
(D)	**Sewerage Fund**							
	Fees for Services	6,658,564	75.00%	4,993,923	5,228,630	104.70%	234,707	5,212,370
	Late Payment Fees	30,000	75.00%	22,500	309,288	1374.61%	286,788	305,436
	Investment Earnings	5,500	75.00%	4,125	31,494	763.49%	27,369	5,617
	Motor Fuel Tax Fund							
	Motor Fuel Taxes	875,000	75.00%	656,250	656,928	100.10%	678	654,413
	Investment Earnings	21,000	75.00%	15,750	27,125	172.22%	11,375	5,519
	TIF Fund							
	Property Taxes	505,000	100.00%	505,000	497,400	98.50%	(7,600)	490,215
	Investment Earnings	35,000	75.00%	26,250	21,153	80.58%	(5,097)	21,867
	Capital Projects							
	Local Use Gas Tax	280,000	75.00%	210,000	204,105	97.19%	(5,895)	212,777
	School Bus Fund							
	Fees for Services	4,796,989	75.00%	3,597,742	2,852,992	79.30%	(744,750)	3,041,225
	Investment Earnings	3,050	75.00%	2,288	8,885	388.42%	6,598	10,008
(E)	TOTALS	37,717,596	75.88%	28,621,947	26,741,801	93.43%	(1,880,146)	26,718,525
	Property Tax Revenue Summary							
	General Fund	830,000	100.00%	830,000	346,120	41.70%	(483,880)	836,378
	Library Bonds	402,000	100.00%	402,000	403,121	N/A	402,241	402,364
	Police Pension	1,745,600	100.00%	1,745,600	1,739,614	99.66%	(5,986)	1,547,756
	Fire Pension	2,954,100	100.00%	2,954,100	2,943,940	99.66%	(10,160)	2,373,219
		4	100.00%	5,931,700	5,432,795	91.59%	(97,785)	5,159,717

Note that the Library's property tax levy of $1.1 million is not included here because it is not recorded on City's books.

CITY OF PEKIN

INVESTMENT EARNINGS

NINE MONTHS ENDED JANUARY 31, 2018

FUND	4/30/18 ANNUAL BUDGET	75% 1/31/18 9 MONTH BUDGET	ACTUAL 1/31/18	ACTUAL 1/31/17	ACTUAL DIFFERENCE	1/31/18 ACTUAL COMPARED TO BUDGET
General	$ 75,000	$ 56,250	$ 26,313	$ 61,055	$ (34,742)	(29,937)
Sewerage *	35,500	26,625	31,494	5,617	25,877	4,869
Motor Fuel Tax	21,000	15,750	27,125	5,519	21,606	11,375
TIF	35,000	26,250	21,153	21,867	(714)	(5,097)
Capital Projects	15,000	11,250	15	2,654	(2,639)	(11,235)
School Bus	10,000	7,500	8,885	10,008	(1,123)	1,385
Economic Development	308,000	231,000	320,632	222,945	97,687	89,632
TOTALS	$ 499,500	$ 374,625	$ 435,617	$ 329,665	$ 105,952	$ 60,992

Actual	1/31/17	$ 329,665
Actual	1/31/16	282,744
Actual	1/31/15	319,916
Actual	1/31/14	231,173
Actual	1/31/13	126,586

*Does not include finance charges on late customer payments.

CITY OF PEKIN
REVENUES OVER EXPENSES - ALL CITY FUNDS
SUPPLEMENTAL COMMENTS
THREE MONTHS ENDED JULY 31, 2013

(1) During this quarter a large transfer from the General Fund to the Vehicle Maintenance Fund was made due to the change in how departments were charged for the maintenance of their vehicles. The change in accounting was mentioned in the previous quaterly report. Because of the size of the transfer, general fund expenditures were much higher than normal and distorted budget comparisons.

(1) Note that in the General Fund revenues, property tax revenue does not include the roughly $1.1 million that is levied for the library. By law the library's property tax must be included in the City's annual levy but the actual receipt of tax revenue is not recorded on the City's books.

(2) Sewer revenue for fees charged was lower than normal due to the change to quarterly billing of residents.

(4) School bus expenditures were much higher for the quarter due to the annual bus lease payment related to the 2012 lease of 66 new buses.

(5) Economic Development revenue included $2 million in bank loan proceeds that had not been disbursed to a developer by the end of the quarter.

(6) Vehicle Maintenance Fund revenue includes the transfer of $1.3 million mentioned in (1) above.

CITY OF PEKIN
MAJOR REVENUES SOURCES
SUPPLEMENTAL COMMENTS
NINE MONTHS ENDED JANUARY 31, 2018

(A) We have been receiving the additional .5% home rule tax since October which is matching our original estimates of approximately $130,000 per month. However, sales tax receipts overall are flat or slighly less than the prior year.

(B) Fines and penalties have consistently been running under budget over the last few years.

(C) Overall, major General Fund revenue line items are running behind budgeted estimates in total by roughlly 10% (90.11% of budget).

(D) Sewerage Fund revenues are all well above budgeted amounts but very comparable to the prior year.

(E) The total of major revenues line items for all funds is almost $2 million less than the budgeted amounts (actual of $26,741,801 versus budget of $28,621,947). The current year actual total is comparable to the prior year.

CITY OF PEKIN
REVENUES OVER EXPENSES - ALL CITY FUNDS
SUPPLEMENTAL COMMENTS
NINE MONTHS ENDED JANUARY 31, 20178

(1) General Fund results seem to be on target with the budget. The storm water department of course has no revenue source and has had to borrow in order to make some substantial improvements. As a result, the General Fund has to cover any shortfall that this department incurs.

(2) Solid Waste Fund revenue is on target with budget but expenditures are higher due to capital outlay for new trucks and operating expenditures. The planned rate increases will be necessary for this fund to operate in the black.

(3) Sewer operations now show a large profit as higher rates have been implemented. These higher rates and resulting higher profit are necessary to restore fund reserves due to ILEPA loan covenants, provide funding for projected capital improvements and allow for continued needed maintenance of the older combined sewer / storm water lines.

(4) Capital Projects Fund numbers reflect the continued construction activity with limited revenue sources. The City has now advanced roughly $3.75 million toward completion of Veterans Drive and is awaiting repayment from the State. There is no fixed date for this repayment and the City has had to use its reserves and cash in investments to cover the monies advanced.

(5) The School Bus Fund loss results from the school year timing of revenue received and will begin to catch up in the Spring.

(6) The higher airport expenses result from the construction projects that have largely been funded by grants from the Federal governent (runway lighting).

(7) The Insurance Fund is in transition from using the Central States insurance plan to a self-insured plan and therefore revenue and expenses do not match up as closely as in the past.

(8) "Totals - All Funds" illustrates the distortion related to the City's construction and debt activity in the various funds and doesn't give an accurate picture of operating results for the City.

(9) This line then presents the normal operaing revenues/expenses without all the unusual items mentioned above including the construction/debt activity.

REQUEST FOR COUNCIL ACTION

To: Council Members

Date: February 6, 2018

From: Nicole Stewart, Deputy Clerk

Nicole Stewart, Deputy Clerk

AGENDA ITEM: Hometown Hero Banner Program	
AGENDA DATE REQUESTED: February 26, 2018	
ACTION REQUESTED: Adopt the resolution designating Parkway as the appropriate location to place Hometown Hero Banners through the program.	
DESCRIPTION: On January 22, 2018 Ms. Patti Smith spoke to Council about the Hometown Hero Banner Program and how the project honors any loss of life while serving active duty or MIA military personnel. By submitting an application to America's Gold Star Families with photo and fee banners can be produced and placed if so authorized by the City Council.	
FINANCIAL IMPACT:	
NEIGHBORHOOD CONCERNS:	
IMPACT IF APPROVED:	
IMPACT IF DENIED:	
ALTERNATIVES:	
RELATED TO EFFICIENCY STUDY:	
RELATIONSHIP TO THE CONCEPTUAL PLANNING PROCESS: [check no more than 2 boxes. Copy this check mark √ and paste it to the left of the relevant theme.]	
	A Prosperous Community. To promote and sustain a balanced economy that supports expansion and retention of family-wage jobs.
	A Safe Community. To protect community life and property by providing effective, principled police and fire services.
	A Strong Foundation. To improve and maintain existing infrastructure and leverage opportunities for new infrastructure.

X	**A High Quality of Life.** To support or provide services that improve the quality of life for Pekin's residents.
	An Effective Government. To deliver effectively the services that Pekin's residents want, need, and are willing to support.

REQUIRED SIGNATURES
Department Directors and City Staff: Date:
Finance Department (Certification of Availability of Funds)**:** Date:
City Manager: Date:

Resolution No. 79-17/18 A Resolution Designating a Portion of Parkway Drive, As Designated Location For the Hometown Hero Banner Program

____
MAYOR

ATTEST:

____
CITY CLERK

RESOLUTION NO. 79-17/18

A RESOLUTION DESIGNATING A PORTION OF PARKWAY DRIVE, AS DESIGNATED LOCATIONS FOR THE HOMETOWN HERO BANNER PROGRAM

WHEREAS, the City of Pekin believes it is appropriate and desirable to honor our veterans through cooperation with the Hometown Hero Banner Program; and

WHEREAS, in order to facilitate that program, it has been determined that an appropriate location and venue for Hometown Hero Banners should be Parkway Drive, and those City light poles servicing Parkway Drive, from Sheridan Road to Court Street.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS, AS FOLLOWS:

In the exercise of its Home Rule powers, the City hereby designates Parkway Drive, from Sheridan Road to Court Street, as the appropriate location and venue for use and authorization to affix Hometown Hero Banners, through the Hometown Hero Banner Program, on City light poles along that Right of Way.

Be it further resolved that this Resolution be in full force and effect upon it's passage and approval.

PASSED BY THE CITY COUNCIL OF THE CITY OF PEKIN, ILLINOIS this day of ___________________, 2018.

Ayes: ____

Nays: ____

____
Mayor

ATTEST:

____
City Clerk

REQUEST FOR COUNCIL ACTION

To: Council Members

Date: February 21, 2018

From: Nicole Stewart, Deputy Clerk

AGENDA ITEM: Proposal for Financial Services to TC3	
AGENDA DATE REQUESTED: February 26, 2018	
ACTION REQUESTED: TP3 to pay $50,000 for payroll services, accounting, and human resource assistance for a 12 month trial period for up to 50 employees.	
DESCRIPTION: TP3 to pay $50,000 for payroll, accounting, and human resources	
FINANCIAL IMPACT: $50,000 in revenue to the city	
NEIGHBORHOOD CONCERNS: N/A	
IMPACT IF APPROVED: Additional revenue of $50,000 to the city	
IMPACT IF DENIED: Loss of revenue	
ALTERNATIVES: N/A	
RELATED TO EFFICIENCY STUDY: N/A	
RELATIONSHIP TO THE CONCEPTUAL PLANNING PROCESS: [check no more than 2 boxes. Copy this check mark √ and paste it to the left of the relevant theme.]	
	A Prosperous Community. To promote and sustain a balanced economy that supports expansion and retention of family-wage jobs.
	A Safe Community. To protect community life and property by providing effective, principled police and fire services.
	A Strong Foundation. To improve and maintain existing infrastructure and leverage opportunities for new infrastructure.
	A High Quality of Life. To support or provide services that improve the quality of life for Pekin's residents.
√	**An Effective Government.** To deliver effectively the services that Pekin's residents want, need, and are willing to support.
REQUIRED SIGNATURES	

Department Directors and City Staff: Date:
Finance Department (Certification of Availability of Funds)**:** Date:
City Manager: Date:

Pekin
ILLINOIS

City of Pekin

Human Resources Department

February 15, 2018

Proposal for Financial Services to Tazewell County Consolidated Communication Agency

The City of Pekin would provide the following services to the Tazewell County Consolidated Communication Agency for a twelve-month trial period for up to 50 employees (full time and part time):

Payroll Services Bi-Weekly

- Pay employees by direct deposit
- Provide employee self-service web application for time entry and accessibility to previous paystubs and W2s
- Provide employee maintenance
- Quarterly 941 and annual W-2 reporting

Accounts Payable Bi-Weekly

- Pay vendors on opposite week of payroll
- Collect W-9 forms from vendors
- Provide annual 1099 reports as necessary

HR related assistance to employees

- Serve as authorized agent for IMRF (if applicable)
- Provide assistance with health insurance plan
- Provide assistance with voluntary benefits as applicable

HR assistance to Director (excluding legal advice)

- Personnel matters
- Contract interpretation
- Initial set up of voluntary benefits

The cost for these services would be $50,000.00 per year paid in 12 monthly payments. In the 9th month of the 12-month term both sides will determine if a new agreement will be executed.

Sarah Newcomb, Human Resources Director
111 S. Capitol St Pekin, Il. 61554 (309) 478-5380 Fax: (309) 346-2095
Email: sjnewcomb@ci.pekin.il.us

REQUEST FOR COUNCIL ACTION

To: Council Members

Date: February 20, 2018

From: Todd Dugan,

Michael Guerra, City Engineer

AGENDA ITEM: Amendment Hanson Taxiway Lighting
AGENDA DATE REQUESTED: February 26, 2018
ACTION REQUESTED: To approve the amendment to the Hanson Professional Services Agreement for the C15-4446 Replace Taxiway Lighting and Associated Electrical Regulator for an additional $30,101.00 with the City's portion of the cost at 5% or $1,505.05
DESCRIPTION: This request is to amend the agreement with Hanson Professional Services for the engineering agreement related to the Airport Taxi-way Lighting Project. The amendment is to raise the maximum amount for the agreement an additional $30,101 for construction engineering to $71,696.00. This additional cost is for the additional effort that was required due to circumstances that extended the project. Overall the construction of this project took an additional 28 calendar days over the original 35 days contracted. Circumstances that impacted the construction included the brief project shutdown due to the State budget impasse last June and additional time to complete a City initiated change order. This required additional oversight to meet the requirements of Illinois Department of Transportation (IDOT) Division of Aeronautics for documentation of construction which generally requires a project engineer on site and additional engineering for the change order. Therefore the additional 28 days were not forecasted in the original agreement with Hanson creating the need for an amendment. IDOT has reviewed Hanson's request and approved it for inclusion to the project. The IDOT approval make this amendment eligible for the reimbursement with State funds making the City's portion of the cost 5% or $1,505.05. This project originally was bid under the estimate and this additional cost does not exceed the overall programed funding. The total project for construction and all of engineering was programmed for $330,000 and the project is under $300,000 including this amendment.
FINANCIAL IMPACT: $1,505.05 of Airport Funds (budgeted)
NEIGHBORHOOD CONCERNS: none
IMPACT IF APPROVED: The amendment will be executed.
IMPACT IF DENIED: The amendment will not be executed.

ALTERNATIVES: none	
RELATED TO EFFICIENCY STUDY: N/A	
RELATIONSHIP TO THE CONCEPTUAL PLANNING PROCESS: [check no more than 2 boxes. Copy this check mark √ and paste it to the left of the relevant theme.]	
	A Prosperous Community. To promote and sustain a balanced economy that supports expansion and retention of family-wage jobs.
	A Safe Community. To protect community life and property by providing effective, principled police and fire services.
√	**A Strong Foundation.** To improve and maintain existing infrastructure and leverage opportunities for new infrastructure.
	A High Quality of Life. To support or provide services that improve the quality of life for Pekin's residents.
	An Effective Government. To deliver effectively the services that Pekin's residents want, need, and are willing to support.
REQUIRED SIGNATURES	
Department Directors and City Staff: Date:	
Finance Department (Certification of Availability of Funds)**:** Date:	
City Manager: Date:	

HANSON PROFESSIONAL SERVICES INC.
AMENDMENT TO STANDARD AGREEMENT FOR CONSULTANT SERVICES AT ILLINOIS AIRPORTS FOR ARCHITECTURAL/ENGINEERING (A/E), PLANNING AND SPECIAL SERVICES

Whereas, **the City of Pekin**, subsequently referred to as "Client," and Hanson Professional Services Inc., subsequently referred to as "Hanson," have previously entered into a Professional Services Agreement (Agreement) dated **May 10, 2016** in connection with **IL Project No. C15-4446 Replace Taxiway Lighting and Associated Electrical Regulator**, subsequently referred to as "Project," and

Whereas, the Client has ordered certain additions to the services being provided by Hanson for the Project.

Now, therefore, this Amendment to the Agreement (Amendment No. 1) is made this 17TH day of JANUARY, **2018**, to revise the Scope of Services, Schedule of Services, and Cost of Services as provided here. All other terms and conditions of the Agreement remain unchanged.

The Scope of Construction Phase Services is modified as follows:

- Additional effort required to coordinate and communicate with the Prime contractor due to extended duration of the Project. (35 Calendar Days awarded, 63 Calendar Days charged)
- A significant Change Order for the installation of the PCAL system was approved by IDA on June 20, 2017.
- The Project was suspended due to the Illinois Budget impasse, which led to additional mobilizations and reduced productivity, ultimately extending the duration of the Project.

The Cost of Construction Phase Services is modified as follows:

Cost of Services in Original Agreement	$	41,595.00
Total of Previous Amendments	$	0.00
Increase this Amendment	$	30,101.00
Cost of Services with all Amendments	$	71,696.00

Revise Section II. Consultant Compensation, C – Construction Phase, to read "For services outlined in Section I, Construction Phase, cost plus a fixed payment of **$8,667.00**, total amount not to exceed **$71,696.00**, unless …"

Client and Hanson hereby agree to and accept the terms as stated herein.

HANSON PROFESSIONAL SERVICES INC.	CITY OF PEKIN, ILLINOIS
By: [signature]	By:
Title: ASST. VICE PRESIDENT	Title:
Date: 1/17/18	Date:

Illinois Department of Transportation
Office of Intermodal Project Implementation / Division of Aeronautics
1 Langhorne Bond Drive / Springfield, Illinois 62707-8415

January 11, 2018

Kevin Murdock
Hanson Professional Services Inc
1525 South Sixth Street
Springfield, IL 62703-2801

RE: Pekin Municipal Airport
Illinois Project: C15-4446
A.I.P. Project: 3-17-SBGP-120N, 133N
Engineering Amendment

Dear Sir:

We are responding to your letter and Construction Phase Engineering Amendment Application (form AER 2020) dated December 7, 2017, concerning the above referenced Amendment to the Agreement for Engineering Services.

After a thorough review, we have determined that the amendment is warranted on the merits claimed in the form AER 2020. The revised Not-To-Exceed may be increased by an amount of $30,101.00 to bring the final Not-To-Exceed to an amount of $71,696.00. The amendment includes an allowable increase in the fixed fee of $3,637.54, to bring the total fixed fee amount to $8,667.00. Federal and State participation are subject to availability of funds.

The executed amendment and final construction engineering invoice must be sent to this office to the attention of Mike Wilhelm within 60 days of the acceptance of the contractor's work (punchlist completion). Any delay in returning the executed amendment and final invoice may result in non-participation with state and federal funds.

Sincerely,

Michael F. Wilhelm

Michael F. Wilhelm, P. E.
Engineer of Construction and Materials

MFW/wce wce

cc: Todd Dugan, Pekin Municipal Airport
Al Mlacnik, IDA Planning and Programming Section
Jackie Lindsay, Bureau Chief of Administrative Services

Attachment: Amend Hanson Agrmt Taxi Light (1335 : Amendment Hanson Taxiway Lighting)