

**MINUTES**  
**CHAMPAIGN POLICE PENSION FUND**  
**BOARD MEETINGS**  
**April 7, 1980**

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BOARD MEETING  
CITY OF CHAMPAIGN  
POLICE PENSION FUND REGULAR MEETING  
April 7, 1980

Members Present: William Neumann, John Lynch, William Dallenbach, and Russell Burke

The meeting was called to order by President William Neumann at 3:00 P.M. By request of the Police Pension Board, Mayor Severens and Manager Miller were present. The purpose of the meeting with the mayor and the city manager was three fold: (1) to discuss The City of Champaign Resolution (Council Bill No. 80-60) concerning investments made by city pension funds; (2) to bring focus upon the police employee payroll pension deductions not getting transferred to the pension fund in a timely manner; and, (3) full funding of the Police Pension Fund on an annual basis.

(1) Council Bill No. 80-60:

Mayor Severens stated that this resolution was prompted by Mr. Kobachar's concern for the Champaign Police Pension Board's investments in lending institutions ( banks and saving & loan associations ) outside of the City of Champaign.

Mr. Neumann pointed out that the police pension board has consistently followed the directions of state statutes with regard to all of the investments made by the board and has persued in the past and intends to persue in the future a policy of investing all funds available at the highest yield to the pension fund.

Mr. Dallenbach pointed out that the investments in question were the best available at the time and that in most cases those investments had come, due-and. the funds have been re-invested.

Mr. Neumann indicated that the report that was the basis for Mr. Kobachars concern was for the fiscal year 1977-1978.

The board stated that it would provide the council and manager with current lists of the investments made by the board and offered their assurances that as long as it was possible to invest locally at a profit with insurance that that course would be followed.

(2) Police payroll deductions:

Mr. Miller stated that he had examined the city records and had found that all such funds were deposited promptly since January 1, 1980.

Mr Neumann gave copies to two City of Champaign checks, (both baring the same date 9/6/79) that clearly showed that seven payroll periods were deposited at the same time at a substantial interest loss to the fund.

Mr. Miller agreed to monitor the transfer of such funds in the future to assure that these funds would be properly deposited in the future.

Mr. Neumann requested that Mr. Miller also determine if the funds collected by the county and, turned over to the city were being promptly transferred to the fund. City Treasurer Suter stated that all such funds were transferred immediately upon receipt. Mr. Miller offered his assurances also.

### (3) Full funding on an annual basis:

Mr. Neumann stated that the Police pension fund has not been fully funded on an annual basis as required by state statute, and that this shortcoming has existed for many years. Mr. Neumann stated that the mayor, manager, and council were made aware of this shortcoming in a letter dated 8/30/79 and in the annual audit reports contracted for by the city. Mr. Neumann stated that the city has placed the pension board and/or police officers in the position of having to file a suit to force the city to comply, if the city continues to ignore the statutory requirement of full funding on an annual basis.

Mr. Miller stated that the city has been "phasing in" this obligation at the same time that the Burnham hospital pension plan is being phased out and assumed by the hospital. Mr. Miller; stated that the "normal costs" were funded at 100% and that the "unfunded accrued liability" has been funded at 95% in the 1979r 1980 budget.

Mr. Miller stated that the 1980-1981 budget would provide for 100% funding on an annual basis.

Mr. Neumann took issue with Mr. Miller's analysis of the annual unfunded accrued liability in that the dollar amount owed to the fund at the end of each of the past three years remained in excess of \$100,000.00 as disclosed in the, annual audit reports notes. Neumann stated that on one hand we have an annual appropriation request based upon the needs of the fund as provided by law and on the other hand we have an annual audit report that clearly indicate a substantial shortage far in excess of the figures offered by Mr. Miller.

It was agreed that the CPA firm that annually audits the books of the police pension fund should be consulted in an effort to reconcile the differences in providing for full funding on an annual basis.

Mr. Neumann suggested that the city council give to the board in the form of a resolution

assurances that the city would fully fund the police pension fund on an annual basis. Mr Neumann suggested that such a resolution would be helpful, once full funding was reached, in discouraging future councils from neglecting to fully fund this obligation.

Mayor Seberens responded that the council had been working very diligent to bring the funding up to the proper level and to ask them, at this point to prove their sincerity would be counterproductive.

The board requested that the minutes of the meeting show that RoseMary Cheeks written request to have all funds returned to her that she has paid into the fund was approved by the board.

Mr. Lynch made a motion to accept the financial report as submitted be accepted; seconded by Mr. Dallenbach.

Vote--Yeas--All members.

Mr. Burke made a motion to accept the investments made during the previous quarter; seconded by Mr. Lynch.

Vote--Yeas--All members.

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