

CHAMPAIGN POLICE PENSION FUND

QUARTERLY MINUTES

July 18, 2018

The meeting was called to order at 1:30 P.M at the Champaign Police Pension Fund Office, #10 Henson Place, Champaign, by President Neumann.

Members present: Bill Neumann; Tony Ackerman; and, Barbara Ramsay.

Others present: Stanly Earle-----CPD retired  
Mary Nye-----&Co consulting

Mary Nye from &Co consulting discussed the status of all of the pension fund investments, and recommended taking the following action:

- (1) Withdrawing \$2,500,000. from the Cash Annuity account.
- (2) Deposit \$2,500,000. with Hillswick Asset Management.

On a motion made by Barbara Ramsay, seconded by Tony Ackerman, the &Co recommendations were adopted ( see Addendum "A", and "B" ).

The vouchers were reviewed by board members and approved by a motion made by Tony Ackerman, seconded by Barbara Ramsay, all members voting yes.

President Bill Neumann discussed the need for all members to bring their training requirements into compliance. Bill Neumann presented a document indicating 36.3 hours of training credits for computer generated classes that he had completed. On a motion made by Tony Ackerman, seconded by Barbara Ramsay, with all members voting yes, the 36.3 hours of training credits were approved ( see Addendum "C" ).

A lateral transfer of creditable service for Timothy Rivest was discussed: Rivest transferred his creditable service from the Rantoul police pension fund to the Champaign police pension fund. The end result was that Rantoul paid \$191,326.82, and Rivest's starting date was adjusted to June 1, 2009: approved on a motion made by Barbara Ramsay, seconded by Tony Ackerman, all members voting yes.( see Addendum "D" ).

A slate of Board Member officers was offered by Bill Neumann: that slate was passed on a motion made by Tony Ackerman, seconded by Barbara Ramsay, with all members voting yes: Neumann, President; Ramsay Vice President; Maloney Secretary; Ackerman Assistant Secretary; and, Simons Treasurer.

Colby Olson retired. His last day of work was 7/2/18, and his pension will start on 11/26/18, when he turns 50 years of age. His starting pension will be \$4,306.82 per month ( see Olson's pension calculation at Addendum "E" ).

The next quarterly meeting of the Champaign Police Pension Board will be October 24th, 2018 1330 hrs, 10 Henson Place, Champaign.

*W. A. ... PRESIDENT*

ADDENDUM "A"

July 19, 2018

Ms. Amy Bartenschlag  
First Midwest Bank  
27 North Vermillion Street  
Danville, IL 61832  
Email: [amy.bartenschlag@firstmidwest.com](mailto:amy.bartenschlag@firstmidwest.com)  
Fax: 217.477.6081

Re: Champaign Police Pension Fund

Dear Amy:

The Champaign Police Pension Fund is rebalancing assets. Please complete the following asset transfers:

*Withdrawals from (on July 20, 2018):*

Cash Annuity (acct # 73 4003 01 5) \$2,500,000

*Deposit to (on July 20, 2018):*

Hillswick Asset Management (acct # 73 4013 01 4) \$2,500,000

If there are questions on the above or other ways we can be of assistance, please call me.

Sincerely,



Bill Neumann  
President  
Champaign Police Pension Fund

c: Mary Nye

AndCo Consulting

[maryn@andcoconsulting.com](mailto:maryn@andcoconsulting.com)

Fax: 312.782.6904

ADDENDUM "B"

July 19, 2018

Mr. Mark McDonnell  
Hillswick Asset Management, LLC  
600 Summer Street  
Suite 203  
Stamford, CT 06901  
Email: [operations@hillswickasset.com](mailto:operations@hillswickasset.com)  
Fax: 203.425.1445

Re: Champaign Police Pension Fund

Dear Mark:

The Champaign Police Pension Fund is rebalancing assets. In total, Hillswick will be receiving a transfer of \$2,500,000 **on or before July 20, 2018**. Please invest this according to the investment policies and procedures that apply to your portfolio.

If there are questions or other ways we can be of assistance, please let us know.

Sincerely,



Bill Neumann  
President  
Champaign Police Pension Fund

c: Amy Bartenschlag First Midwest Bank [amy.bartenschlag@firstmidwest.com](mailto:amy.bartenschlag@firstmidwest.com) Fax: 217.477.6081  
Mary Nye AndCo Consulting [maryn@andcoconsulting.com](mailto:maryn@andcoconsulting.com) Fax: 312.782.6904

William Neumann: Request for approval of ethics training for 36.3 hours.

- (1) "What to say when: You're asked to compromise your ethics".-----108 minutes.
- (2) "Integrity: Working with company leader to discuss ethics  
with your team".-----105 minutes.
- (3) "Leadership : 10 behaviors of an ethical leader".----- 60 minutes.
- (4) "Leadership: Ethics at work----- 195 minutes.
- (5) "Integrity & Trust: evaluating your level of integrity----- 105 minutes.
- (6) "Leadership Lessons from West Point"----- 195 minutes.
- (7) "respectful Workplace: Act Ethically"----- 80 minutes.
- (8) "Compliance is just the beginning: 3 steps to ethical decisions"----- 1230 minutes.
- Total-----36.3 hours

Each of the 8 courses were some combination of a video, text, and test materials.



Lauterbach & Amen, LLP

CERTIFIED PUBLIC ACCOUNTANTS

668 N. RIVER ROAD • NAPERVILLE, ILLINOIS 60563

PHONE 630.393.1483 - FAX 630.393.2516

www.lauterbachamen.com

ADDENDUM "D"

1 OF 6

May 31, 2018

Members of the Pension Fund Board  
Rantoul Police Pension Fund  
333 S. Tanner  
Rantoul, Illinois 61866

RE: Transfer of Creditable Service for Timothy Rivest from Rantoul Police Pension Fund to Champaign Police Pension Fund

Members of the Pension Board of Trustees:

Thank you for providing the information requested for the potential transfer of creditable service from the Rantoul Police Pension Fund to the Champaign Police Pension Fund for Timothy Rivest.

Enclosed please find a signed Irrevocable Authorization and Agreement for this transfer. We respectfully request that the Rantoul Police Pension Fund remit \$191,326.82 to the Champaign Police Pension Fund as referenced in the enclosed letter dated May 15, 2018. Remittance should be made payable to the CHAMPAIGN POLICE PENSION FUND and mailed to Members of the Pension Fund Board, Champaign Police Pension Fund, 82 E. University Avenue, Champaign, Illinois 61820-6401.

Please do not hesitate to contact me should you have any questions.

Cordially,

Anie M. Wascher  
Lauterbach & Amen, LLP

Encl.

CC: Champaign Police Pension Fund



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Election to Transfer Creditable Service (Portability) under PA 090-0460 \* 40 ILCS 5/3-110.7

I, Timothy Rivest, have been presented with, if applicable, the cost to reinstate my service with Rantoul Police Pension Fund (Prior Pension Fund). I have also been presented with the options to either (1) remit the True Cost balance and receive credit for the full service being transferred or (2) remit no money to Champaign Police Pension Fund (Current Pension Fund) and receive a reduced service credit in lieu of payment of the True Cost balance.

I submit my final and irrevocable request to transfer creditable service from my Prior Pension Fund to my Current Pension Fund per 50 IAC 4404.90. I understand by selecting one of the transfer options below, I cannot change my selection at a later time. I formally and irrevocably elect to pursue the transfer as follows:

Option 1 - I will remit the True Cost balance to my Current Pension Fund and receive credit for the full service being transferred. I understand that the transfer is not complete until all monies are paid in full. This transfer may not be reversed to reinstate creditable service with my Prior Pension Fund. This creditable service may not be transferred to another pension fund until all costs are paid in full to my Current Pension Fund and I have completed 2 complete, non-transferred years of service with my Current Police Department.

I am electing to remit \$ \_\_\_\_\_ as a Lump Sum payment to my Current Pension Fund towards my True Cost balance due.

I am electing to remit payments of \$ \_\_\_\_\_ to my Current Pension Fund towards my True Cost balance due. I will remit these payments until this balance due paid in full, via the following method (check one):

- \_\_\_\_\_ directly to the Pension Fund
\_\_\_\_\_ an after-tax payroll deduction
\_\_\_\_\_ Estimated Date of Final Payment

I understand that if I chose to remit the payments via after-tax payroll deductions, it is my responsibility to submit a completed copy of the enclosed form to my municipal payroll department.

I understand that per 50 IAC 4404.110 if the True Cost balance is not paid in full within the time allotted, all of the creditable service being transferred will be lost. I will be entitled to receive a refund of only True Cost payments made to my Current Pension Fund, the employee contributions made to my Prior Pension Fund, and interest I paid to reinstate my Prior Pension Fund creditable service, if applicable.

- Or -

Election to Transfer Creditable Service (Portability) under PA 090-0460 \* 40 ILCS 5/3-110.7  
- Continued

Option 2 - I elect not to remit the True Cost balance my Current Pension Fund. I understand I will receive a reduced service credit with my Current Pension Fund in lieu of payment of the True Cost balance. I understand the remaining service I had with my Prior Pension Fund will be permanently lost and I will not be able to repurchase this lost time under current statutes. This creditable service may not be transferred to another pension fund until all costs are paid in full to my Current Pension Fund and I have completed 2 complete, non-transferred years of service with my Current Police Department.

I understand that a copy of this Authorization will be forwarded to my Prior Pension Fund by my Current Pension Fund within 7 days of receipt. I further understand that my Prior Pension Fund must, within 30 days of receipt of this signed Authorization, transfer the designated creditable service time to my Current Pension Fund along with the payment of all monies required to be transferred per 50 IAC 4404.73.

- Or -

I have decided not to pursue this transfer of my creditable service from my Prior Pension Fund to my Current Pension Fund and I withdraw my request. I acknowledge that if I choose to request this transfer at a later date, all costs presented are subject to recalculation.

I understand that I must provide this completed authorization form to my Current Pension Fund within 14 days of receiving their notification of the cost and payment options for this transfer. I understand that if I fail to notify them by the 15th day, May 30, 2018, my initial portability application to transfer the designated service is automatically withdrawn.



Signature: Timothy Rivest

05/24/18

/ Date:



# Lauterbach & Amen, LLP

CERTIFIED PUBLIC ACCOUNTANTS

668 N. RIVER ROAD • NAPERVILLE, ILLINOIS 60563

PHONE 630.393.1483 • FAX 630.393.2516

www.lauterbachamen.com

ADDEDON "D"

4 BFC

May 15, 2018

Timothy Rivest  
1617 Bassett Lane  
Champaign, Illinois 61821  
timothy.rivest@champaignil.gov

RE: Transfer of Creditable Service for Timothy Rivest from Rantoul Police Pension Fund to Champaign Police Pension Fund

Officer Rivest:

We have been asked to calculate the transfer of your creditable service of 11 years, 4 months, 8 days (August 1, 2006 through December 8, 2017) from the Rantoul Police Pension Fund to the Champaign Police Pension Fund.

## COST SUMMARY

### RANTOUL

Records indicate you did not receive a refund of your contributions of \$66,902.49 from the Rantoul Police Pension Fund.

The Rantoul Police Pension Fund is required to transfer to the Champaign Police Pension Fund your contributions into the fund plus 6% interest, compounded annually from the date of each contribution to the date of the transfer request. In addition, the Rantoul Police Pension Fund is required to match this amount.

**As of June 15, 2018, this required transfer from the Rantoul Police Pension Fund to the Champaign Police Pension Fund is \$191,326.82.**

### CHAMPAIGN

Your date of hire for pension purposes with the Champaign Police Pension Fund is December 11, 2017. Please be advised that all amounts due to the Champaign Police Pension Fund are based on the accuracy of this date. Any adjustment to this date may result in a recalculation of the amounts due.

Per 40 ILCS 5/3-110(d)(2)&(3), if the "receiving" pension fund (Champaign) determines that the amount being transferred from the "prior" pension fund (Rantoul) is less than the "true cost" to establish this length of service with the receiving fund, then the police officer must pay to the receiving fund the difference between the true cost and the amount transferred from the prior fund. Per Public Act 096-0297 (passed in August 2009) the police officer now has the option of:

**CHAMPAIGN - Continued**

- (1) paying this True Cost difference and receiving credit for the full period of service being transferred  
or  
(2) not paying the True Cost difference and receiving a "prorated" transfer of service.

**The True Cost to transfer your time from Rantoul Police Pension Fund, as calculated by the Champaign Police Pension Fund's actuary, is \$254,688.00. Subtracting the money due from the Rantoul Police Pension Fund, there will be a remaining balance due from you to the Champaign Police Pension Fund of \$63,361.18.**

**OPTIONS****OPTION 1 - Paying the True Cost Difference / Receiving Full Service Transfer:**

The True Cost difference of \$63,361.18 can be paid lump sum, in equal installments for a period of up to 5 years, or in some combination of these methods. The installments can be made as a payroll deduction, but the balance accrues interest until it is paid in full (specifically, interest is assessed at 6% compounded annually on the unpaid balance).

**OPTION 2 - Not Paying the True Cost Difference / Receiving Partial Service Transfer:**

If you elect to not pay the True Cost Difference, you will receive a transfer of creditable service credit of 8 years, 6 months, 10 days as reflected below. Please be advised that the remaining service you had with Rantoul Police Pension Fund will be lost and you will not be able to repurchase this lost time under current statutes.

*Creditable service from Rantoul converted to Champaign:*

*Champaign months = Rantoul months x (Rantoul transfer/True Cost)*

*Champaign months = 136.27 months x (\$191,326.82/\$254,688.00)*

*Champaign months = 136.27 months x (0.7512)*

*Champaign months = 102.36 months (8 years, 6 months, 10 days)*

In electing either option, your date of hire, for pension purposes with the Champaign Police Pension Fund, will adjust accordingly to reflect the date below.

Original Champaign Police Pension Fund Date of Hire: **December 11, 2017**

Option 1 - Adjusted Champaign Police Pension Fund Date of Hire: **August 3, 2006**

Option 2 - Adjusted Champaign Police Pension Fund Date of Hire: **June 1, 2009** X

**ACTION**

Please note that you have 14 days from receipt of this letter to

- a. Provide an irrevocable written authorization to transfer creditable service to the Champaign Police Pension Fund (a copy will be sent by the Fund to the Rantoul Police Pension Fund).
- b. Submit a written request to the Champaign Police Pension Fund to withdraw your application for transferring creditable service (a copy will be sent by the Fund to the Rantoul Police Pension Fund).

**Please note that all monies must be paid in full while you are still an active member of Champaign Pension Fund for the service to be considered pensionable.**

**Per Section 4404.90 of the Administrative Code, if you fail to do either by the 15th day, May 30, 2018, your request is automatically withdrawn. A copy of the authorization and withdrawal forms are enclosed with this letter for your convenience – please complete and return only the form reflecting your election. Please contact me at (630) 393-1483 if you have any questions.**

Cordially,



Anie M. Wascher  
Lauterbach & Amen, LLP

Encl.

CC: Rantoul Police Pension Fund  
Champaign Police Pension Fund

**Illinois Department of Insurance - Pension Division  
Benefit Calculator Report**

**Participant Summary**

**Fund Name:** Champaign Police Pension      **Participant Name:** Colby Oleson

**Benefit Summary**

**Fund Type:** Police  
**Benefit Type:** Retirement  
**Reciprocity:** No  
**Birth Date:** ██████████  
**Hire Date:** 5/18/1998      **Unpaid Break Days:** 0  
**Retired Date:** 7/2/2018      **Effective Date of Benefit:** 11/26/2018  
**Annual Salary:** \$103,363.72  
**Creditable Service:** 20 Year(s) 1 Month(s) 15 Day(s)

**Initial Benefit Summary**

**Initial Benefit Date:** 11/26/2018  
**Initial Annual Benefit:** \$51,681.86 = 50.00% of \$103,363.72 (Annual Salary)

**Prorated Benefit Summary**

**Prorated Date Range:** 11/26/2018 - 11/30/2018  
**Prorated Benefit:** \$717.80 = 5 Prorated Day(s) x \$4,306.82 (Monthly Benefit)/30 Days in the Month  
**Total Prorated Benefit:** \$717.80

**Benefit Schedule**

Benefit Type	Benefit Date	Monthly Increase	Monthly Benefit	Annual Benefit	Increase Rate
Initial Annual Benefit	11/26/2018	\$0.00	\$4,306.82	\$51,681.86	
First Increase	12/1/2023	\$646.02	\$4,952.84	\$59,434.08	15.00%
Annual Increase	1/1/2024	\$148.59	\$5,101.43	\$61,217.16	3.00%
Annual Increase	1/1/2025	\$153.04	\$5,254.47	\$63,053.64	3.00%
Annual Increase	1/1/2026	\$157.63	\$5,412.10	\$64,945.20	3.00%
Annual Increase	1/1/2027	\$162.36	\$5,574.46	\$66,893.52	3.00%
Annual Increase	1/1/2028	\$167.23	\$5,741.69	\$68,900.28	3.00%
Annual Increase	1/1/2029	\$172.25	\$5,913.94	\$70,967.28	3.00%
Annual Increase	1/1/2030	\$177.42	\$6,091.36	\$73,096.32	3.00%
Annual Increase	1/1/2031	\$182.74	\$6,274.10	\$75,289.20	3.00%
Annual Increase	1/1/2032	\$188.22	\$6,462.32	\$77,547.84	3.00%
Annual Increase	1/1/2033	\$193.87	\$6,656.19	\$79,874.28	3.00%
Annual Increase	1/1/2034	\$199.69	\$6,855.88	\$82,270.56	3.00%
Annual Increase	1/1/2035	\$205.68	\$7,061.56	\$84,738.72	3.00%
Annual Increase	1/1/2036	\$211.85	\$7,273.41	\$87,280.92	3.00%