

Campton Hills Police Pension Fund
Quarterly Meeting of the Board of Trustees

January 14, 2015

Meeting held at the Campton Hills Police Department, 40W270 LaFox Rd. SuiteB, Campton Hills, IL. at 2:00 P.M.

President Hoffman called the meeting to order at 2:10 pm.

Board Members Present: Dan Hoffman, Randy Johnson , Tom Clark

Absent:Pat McMahan

Others in attendance: Jennifer Johnsen, Jim Kopek, Bill Braithwaite

A motion was made by Tom Clark, seconded by Randy Johnson approve the minutes from the October 8, 2014 meeting. A voice vote was unanimous.

Communications: None

Old Business:

1. **Independent Actuary Study:** As discussed in the previous meeting it was determined that an independent actuary study should be conducted in addition to the IDOI annual actuary report. Dan Hoffman reported that the initial estimate provided by Tim Sharp was \$1300, which the Village Board voted to pay for in total. Subsequently Tim Sharp advised that he could not fulfill his obligation. Lauterbach and Amen advised they could provide an actuary study for \$2000, leaving \$700 for the pension board to pay for. Tom Clark made the motion for the pension fund to pay the \$700 of the \$2000 for the actuary study. The motion was seconded by Randy Johnson. A voice vote was unanimous.
2. **Annual IDOI filing Expense:** Mary Slade from M&M Accounting submitted an invoice of \$1618.75, which was approved at the October 8, 2014 meeting, for work on filing the annual IDOI statement.

New Business:

INVESTMENT REPORT:

Jim Nowicki from Mitchell, Vaught & Taylor presented the investment report. As of 12/31/2014 the pension fund had a balance of \$1029,742. The beginning balance was \$976,,096 with contributions & withdrawals \$44,786 and a net investment gain of \$8,860. The fund generated \$5,528 in income. MVT charged a management fee of \$1220. Total net performance for the fund was (.90%, with fixed income returning .70% and the equity portion returning 3.3% Asset allocation at the end of the quarter was 91% in fixed income and 9% in equities. MVT also distributed a spreadsheet with all the transactions in the fund from 10/01-12/31/2014. Investment strategies were discussed by MVT in an effort to maximize our return despite the restrictions of 90/10 fixed income to equities investments.

A motion was made by Randy Johnson, seconded by Tom Clark, to accept the financial report and accompanying transaction document. A voice vote was unanimous.

Jim Nowicki, also provided the board with a resolution which removed Mary Slade as treasurer and signatory, replacing her with Interim Treasurer Jill Long. A discussion was had whether Jill Long is officially the Interim Treasurer or if she would accept the responsibility of signatory on the fund. A motion was made by Randy Johnson to add Jill Long to replace Mary Slade as Interim Treasurer and

signatory on the fund, if Jill Long would accept the responsibility. The motion was seconded by Tom Clark. A voice vote was unanimous.

IPPFA ANNUAL MEMBERSHIP DUES

Membership in IPPFA was discussed. It was determined that the board will not join the IPPFA for \$1000 annually.

IDOI ACTUARIAL VALUATION REPORT

The Annual IDOI Actuarial Report was received by the board. As of May 31, 2014 the CHPD Pension Fund was funded at a ratio of 75%. The Actuarially Determined Employer Contributions was valued at \$147,931.

INDEPENDENT ACTUARY STUDY-Lauderbach & Amen

Todd Schroeder from Lauderbach and Amen presented a draft copy of the independent actuary study which was paid for jointly by the Village and the pension fund. The purpose of the independent actuary study was to present a more realistic investment return picture given the funds inability to return 5% annually given the 90/10 fixed/equity investment ratio it had to comply with. Working with Mitchell, Vaught and Taylor, Lauderbach and Amen used a more realistic 4.5% investment return. Based on this realistic long term return of 4.5% , the study showed the pension fund to be 68.38% funded with a required employer contribution of \$162,507. However it was advised that the study was conducted based on only 5 active full-time employees (information gathered from the IDOI report at the time of filing). To get a more realistic employer contribution to bring the fund to 100%funded as of 5/31/14. 39.92% (contribution requirement as a percent of expected payroll) of an officers salary (\$42,500) needed to be added to the employers contribution (\$16,966). Randy Johnson made a motion to request \$178,000 from the Village as their employer contribution to the pension fund. The motion was seconded by Tom Clark. A voice vote was unanimous.

Lauderbach & Amen Pension Board Services

Steve Earnhardt from Lauderbach & Amen provided a presentation on the pension board services provided by their company.

Closed Session

The board did not enter into a closed session.

Public Comment:

Bill Braithwaite made a comment on the Certification Form for the Campton Hills Police Pension Fund that was filed with the IDOI on November 10, 2014. A discussion was had on the matter.

The next meeting is scheduled for April 8, 2015 at 2:00 pm at the Campton Hills Police Department.

Adjournment:

A motion was made by Randy Johnson, seconded by Tom Clark to adjourn the meeting at 4:00. PM. A voice vote was unanimous.

Minutes prepared by Dan Hoffman

