

**DEKALB POLICE PENSION FUND**  
**Board of Trustees**

**AGENDA**

April 21, 2017

10:00AM

DeKalb Police Conference Room

1. Call to Order. **CLOSED SESSIONS MUST BE TAPED! Post agenda 48 hours prior!**
2. Roll Call.
3. Minutes.
4. Public Comment.
5. Treasurer's Report.
6. Old business.
7. Bills for Payment.
  - a) Consulting fee Wall and Associates 4/4/17 \$10,265.77 for 1st quarter 2017.
  - b) Asset Holding Charges First National Bank 4/11/17 \$828 for 1st quarter 2017.
  - c) Lauterbach and Amen #20315 02/20/17 \$765 for January, 2017; #20572 02/13/17 \$500 for preparation of 2016 payroll tax returns (both under 30183 3/20/17); #20917 3/20/17 \$765 for February, 2017 (30186 3/30/17); #21341 4/20/17 \$765 for March, 2017.
  - d) Mesirow Insurance Services 1/24/17 \$9,097 for fiduciary insurance (30179 2/3/17).
  - e) IPPFA Annual Membership Dues \$795 9/14/16 (30182 3/3/17).
8. Applications for Membership
9. Requests for Benefits
10. New Business
  - a) State Actuarial Valuation received. Forwarded to Mayor and Council 2/7/17.
  - b) Approval of Sadie Pristave transfer of Chapter 3 credit. Her adjusted DOH is now January 2, 2011.
  - c) Results of election for active officer seat.
11. Adjournment. Next meeting July 28, 2017. 2017 meeting dates: January 20, April 21, July 28 (note this is 5th Friday of the month), and October 20.

Mesirow Insurance Services, Inc.  
 353 North Clark Street, Chicago, Illinois 60654, 312.595.6200

----- INVOICE -----

Dekalb Police Pension Fund  
 200 S. Fourth Street  
 De Kalb, IL 60115

Invoice Date 01/24/17  
 Invoice No. 959905  
 Bill-To Code DEKAPOL  
 Client Code DEKAPOL  
 Inv Order No. 1\*931740

Named Insured: Dekalb Police Pension Fund

Amount Remitted: \$

Please return this portion with your payment.

Make checks payable to: Mesirow Insurance Services

Effective Date	Policy Period	Coverage Description	Transaction Amount
04/01/17	04/01/17 to 04/01/18	Markel Insurance Company Policy No. MGL001404301 *Renewal - Fiduciary Liability	9,097.00
		Invoice Number: 959905      Amount Due:	9,097.00
<p>In addition to fees, commissions or other compensation retained by Mesirow Insurance Services, Inc. ("MIS"), it is understood that in some circumstances other parties necessary to arrange placement of coverage may earn usual and customary commissions and/or fees in the course of providing insurance products. In addition, as is a common practice in the industry, MIS benefits from programs implemented by certain insurers, wholesale brokers (property &amp; casualty) and administrators (benefits) providing for compensation, in addition to commissions and fees, to be paid to MIS based upon differing factors. This additional compensation may include non-cash awards and benefits. The insurance you purchase through MIS may be issued by an insurer, wholesale broker (property &amp; casualty) or administrator (benefits) who has such a program. Further, MIS may receive fees from premium finance transactions (property &amp; casualty). Additionally, MIS may share non-identifiable commercial insurance program data with third-parties for benchmarking purposes (property &amp; casualty). Should you have specific questions concerning MIS' compensation or data sharing, please contact your MIS executive.</p>			

\*Premiums Due and Payable on Effective Date.

Please remit payment upon receipt to: Mesirow Insurance Services, Inc. • 2413 Momentum Place Chicago, Illinois 60660-5324 • 404-0716

**DEKALB POLICE PENSION FUND**  
**Actuarial Valuation Report**  
**Showing Assets and Liabilities of the Fund in**  
**Accordance with Actuarial Reserve Requirements**  
**as of July 1, 2016**

**Summary**

Accrued Liability	\$65,535,313
Actuarial Value of Assets	\$30,693,971
Unfunded Accrued Liability	\$34,841,342

Funded Ratio 47%

**Liabilities**

Reserves for Annuities and Benefits in Force

	Head Count:	Present Value:
Retirement Annuities	39	33,683,649
Disability Annuities	2	1,427,540
Surviving Spouse Annuities	7	2,075,323
Minor Dependent Annuities	0	0
Deferred Retirement Annuities	4	635,138
Handicapped Dependent Annuities	0	0
Dependent Parent Annuities	0	0
Terminated Liabilities	0	0
Total:	52	\$37,821,650

Accrued Liabilities for Active Members	63	\$27,713,663
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Total Accrued Liabilities		\$65,535,313
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Total Normal Cost for Active Members		\$1,624,120
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Total Normal Cost as a Percentage of Payroll		29%
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Total Annual Payroll		\$5,638,291
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Amortization of Unfunded Liabilities:

Total Accrued Liability	\$65,535,313
90% Funded Ratio Target	\$58,981,782
Actuarial Value of Assets	\$30,693,971
Liabilities Subject to Amortization	\$28,287,811
Amortization Period	24 years
Amortization Payment, Beginning of Year	\$1,489,601

This report is provided to the Board and Municipality as part of the Public Pension Division advisory services under Section 1A-106 of the Illinois Pension Code. This report should not be relied upon for purposes other than determining the current tax levy required under the Illinois Pension Code. The assumptions have been set based on expectations for all Article 3 funds in the State of Illinois. The actuarial methods are prescribed by the Illinois Pension Code and do not necessarily represent the approach recommended by either the actuary or the Department of Insurance. This report was prepared under the direct supervision of the undersigned:

Jason Franken  
 Enrolled Actuary #14-06888  
 Foster & Foster

Deputy Director  
 Public Pension Division  
 Illinois Department of Insurance

**DEKALB POLICE PENSION FUND**  
**Actuarial Valuation Report**

**Assets**

Actuarial Value of Assets

Current Year Gain/(Loss):

Market value of assets as of June 30, 2015	\$28,957,001
Benefit payments during fiscal year 2016	(2,579,348)
Total contributions during fiscal year 2016	2,349,959
Expected return during fiscal year 2016	1,946,856
Expected market value of assets as of June 30, 2016	\$30,674,467
Actual market value of assets as of June 30, 2016	\$28,699,935
Investment gain/(loss) during the fiscal year	(\$1,974,532)

Development of Actuarial Value of Assets (market value less unrecognized amounts):

Market value of assets as of June 30, 2016	\$28,699,935
Unrecognized gain/(loss) from fiscal 2016	(1,579,625)
Unrecognized gain/(loss) from fiscal 2015	(1,007,665)
Unrecognized gain/(loss) from fiscal 2014	580,037
Unrecognized gain/(loss) from fiscal 2013	13,217
Actuarial value of assets as of June 30, 2016	\$30,693,971

**Actuarially Determined Employer Contributions**

Actuarially determined amount to provide the employer normal cost based on the annual payroll of active participants as of July 1, 2016.	\$1,065,365
Amount necessary to amortize the unfunded accrued liability as determined by the State of Illinois Department of Insurance over the remaining 24 years as prescribed by Section 3-125 of the Illinois Pension Code.	\$1,489,601
Interest to the end of the fiscal year.	\$172,460
Total suggested amount of employer contributions to arrive at the annual requirements of the fund as prescribed by Section 3-125 of the Illinois Pension Code. *	\$2,727,426

\*The above figure is the suggested amount which should be obtained by the fund from the municipality exclusive of any other items of income, such as interest on investments, contributions from participants, etc. These items have already been taken into consideration in arriving at this amount.

**DEKALB POLICE PENSION FUND  
Actuarial Valuation Report**

**Actuarial Information**

The following methods have been prescribed in accordance with Section 3-125 of the Illinois Pension Code.

Funding method	Projected Unit Credit
Amortization method	Normal cost, plus an additional amount (determined as a level percentage of payroll) to bring the plan's funded ratio to 90% by the end of fiscal year 2040.
Asset valuation method	Investment gains and losses are recognized over a 5-year period.

**Actuarial Assumptions**

Interest rate	6.75%
Interest rate, prior fiscal year	6.75%
Healthy mortality rates - Male	RP-2000 Combined Healthy Mortality, with Blue Collar Adjustment
Healthy mortality rates - Female	RP-2000 Combined Healthy Mortality, with Blue Collar Adjustment
Disability mortality rates - Male	RP-2000 Disabled Retiree Mortality
Disability mortality rates - Female	RP-2000 Disabled Retiree Mortality
Decrements other than mortality	Experience tables
Rate of service-related deaths	5%
Rate of service-related disabilities	70%
Salary increases	Service-related table with rates grading from 11% to 4% at 30 years of service
Payroll growth	4.50%
Tier 2 cost-of-living adjustment	1.25%
Marital assumptions	80% of members are assumed to be married; male spouses are assumed to be 3 years older than female spouses.

The actuarial assumptions used for determining the above amounts are based on experience for all Article 3 funds for the State of Illinois in aggregate. The Department of Insurance has approved the above actuarial assumptions. Contact the Department of Insurance for complete experience tables.

**Data and Fund Information**

The above valuation uses personnel data as reported to the Department of Insurance in the Schedule P. Specifically, the following data items have been determined as of the date of the Actuarial Valuation Report: attained age, annual salary or pension, completed years of service of each individual participant.

The fund specific information used in the production of this document was provided to the Department of Insurance by your pension fund board of trustees through the fund's annual statement filing.



2587 Millennium Drive, Unit C  
Elgin, IL 60124

## Invoice

Date	Invoice #
9/14/2016	652

Bill To
DeKalb Police Pension Fund 111 Kishwaukee Lane DeKalb, IL 60115

Description	Amount
2017 Membership Dues	795.00
<b>Please pay by January 31, 2017</b>	
If you have questions regarding this invoice please call 630-784-0406 x106 or email <a href="mailto:julie.guy@ippfa.org">julie.guy@ippfa.org</a>	<b>Total</b> \$795.00



# Lauterbach & Amen, LLP

CERTIFIED PUBLIC ACCOUNTANTS

*DeKalb Police Pension Fund  
700 W. Lincoln Highway  
DeKalb, IL 60115*

*Invoice No: 20315  
Date: 02/20/2017  
Client No: DEKALBPOLIC*

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SERVICE	AMOUNT
For professional services rendered for the month of January, 2017	
Accounting Services	625.00
Payroll Services	140.00
	<hr/>
Current Amount Due \$	765.00

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27W457 WARRENVILLE RD. \* WARRENVILLE, ILLINOIS 60555  
PHONE 630.393.1483 \* FAX 630.393.2516  
[www.lauterbachamen.com](http://www.lauterbachamen.com)



# Lauterbach & Amen, LLP

CERTIFIED PUBLIC ACCOUNTANTS

*DeKalb Police Pension Fund  
700 W. Lincoln Highway  
DeKalb, IL 60115*

*Invoice No: 20572  
Date: 02/13/2017  
Client No: DEKALBPOLIC*

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SERVICE	AMOUNT
For professional services rendered in connection with the preparation of payroll tax returns (including 1099's) for the calendar year ended:	
December 31, 2016	500.00
Current Amount Due \$	<u>500.00</u>

27W457 WARRENVILLE RD. \* WARRENVILLE, ILLINOIS 60555  
PHONE 630.393.1483 \* FAX 630.393.2516  
[www.lauterbachamen.com](http://www.lauterbachamen.com)





March 16, 2017

Members of the Pension Board of Trustees  
DeKalb Police Pension Fund  
700 W. Lincoln Hwy.  
DeKalb, IL 60115

RE: Transfer of Creditable Service for Sadie Pristave from Sycamore Police Pension Fund to DeKalb Police Pension Fund

Dear Trustees:

Prior correspondence from our firm advised that Officer Sadie Pristave requested to transfer creditable service of 2 years, 0 months, 5 days (December 30, 2010 through January 3, 2013) from the Sycamore Police Pension Fund to the DeKalb Police Pension Fund. Please note the following regarding this transfer:

- Records indicate Officer Pristave did not receive a refund of contributions of \$10,856.11 from the Sycamore Police Pension Fund.
- The Sycamore Police Pension Fund issued payment to the DeKalb Police Pension Fund of \$23,743.00. This represents Officer Pristave's contributions into the Sycamore Police Pension Fund (\$10,856.11) plus 6% interest from the date of each contribution and a required match by the Sycamore Police Pension Fund. All service has now been transferred and Officer Pristave is no longer entitled to any pension benefits from the Sycamore Police Pension Fund.
- The DeKalb Police Pension Fund's actuary determined that the True Cost to the DeKalb Police Pension Fund for Officer Pristave's transfer was \$27,183.00. The remaining balance due of \$3,440.00 was remitted by Officer Pristave to the DeKalb Police Pension Fund.

As a result of this transfer, Officer Pristave's date of hire for pension purposes with the DeKalb Police Department should be adjusted as follows:

Original DeKalb Police Pension Fund Date of Hire: January 7, 2013

Adjusted DeKalb Police Pension Fund Date of Hire: January 2, 2011

At the next board meeting, the Pension Fund Board should formally (1) accept this payment, (2) recognize the transfer as paid in full and (3) acknowledge the revised date of hire. Please be sure to notify your Lauterbach & Amen representative (if they are not in attendance at this meeting) of the Board's final action, so we can finalize our records and our Benefits Team can notify the member of the completion of the purchase/transfer.

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

Cordially,

James F. Ritchie  
Lauterbach & Amen, LLP



March 16, 2017

Sadie Pristave  
c/o DeKalb Police Pension Fund  
DeKalb, IL

RE: Transfer of Creditable Service for Sadie Pristave from Sycamore Police Pension Fund to DeKalb Police Pension Fund

Officer Pristave:

Our firm provides pension benefits administration services for the DeKalb Police Pension Fund. Regarding your request to transfer your creditable service of 2 years, 0 months, 5 days (December 30, 2010 through January 3, 2013) from the Sycamore Police Pension Fund to the DeKalb Police Pension Fund, please note the following:

- Records indicate you did not receive a refund of contributions of \$10,856.11 from the Sycamore Police Pension Fund.
- The Sycamore Police Pension Fund issued payment to the DeKalb Police Pension Fund of \$23,743.00. This represents your contributions into the Sycamore Police Pension Fund (\$10,856.11) plus 6% interest from the date of each contribution and a required match by the Sycamore Police Pension Fund. All service has now been transferred and you are no longer entitled to any pension benefits from the Sycamore Police Pension Fund.
- The DeKalb Police Pension Fund's actuary determined that the True Cost to the DeKalb Police Pension Fund for your transfer was \$27,183.00. The remaining balance due of \$3,440.00 was remitted by you to the DeKalb Police Pension Fund.

All payments required to transfer your creditable service of 2 years, 0 months, 5 days (December 30, 2010 through January 3, 2013) from the Sycamore Police Pension Fund have been received by the DeKalb Police Pension Fund. The DeKalb Police Pension Fund must now officially recognize these payments in a Pension Fund Board meeting, in order to formally complete your transfer.

Once the DeKalb Police Pension Fund Board formally recognizes the transfer as paid in full and acknowledges your revised date of hire, Lauterbach & Amen will provide a formal letter to you confirming completion of the transfer.

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

Cordially,

James F. Ritchie  
Lauterbach & Amen, LLP



# Lauterbach & Amen, LLP

CERTIFIED PUBLIC ACCOUNTANTS

*DeKalb Police Pension Fund  
700 W. Lincoln Highway  
DeKalb, IL 60115*

*Invoice No: 20917  
Date: 03/20/2017  
Client No: DEKALBPOLIC*

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SERVICE	AMOUNT
For professional services rendered for the month of February, 2017	
Accounting Services	625.00
Payroll Services	140.00
Current Amount Due \$	<u>765.00</u>

27W457 WARRENVILLE RD. \* WARRENVILLE, ILLINOIS 60555  
PHONE 630.393.1483 \* FAX 630.393.2516  
[www.lauterbachamen.com](http://www.lauterbachamen.com)

**Billing Summary**

1/1/2017 - 3/31/2017

DeKalb Police Pension Pension Fund

Report Currency: USD

DeKalb Police Pension Pension Fund  
 C/O Jim Kayes  
 640 Fox Hollow  
 DeKalb, IL 60115-2391

**Billing Details**

Management Fees	Billable Balance	Period Effective Rate (%)*	Billing Date	Amount
Quarterly management fee for 1/1/2017 (Commodities)	162,532.73	0.7690760	1/1/2017	1,250.00
	From	to	Annual Rate (%)	Amount
	0.00	162,532.73	0.0700	28.44
			Management Fee	28.44
Quarterly management fee for 1/1/2017 (Fixed Income)	11,474,072.56	0.05000000	1/1/2017	5,737.04
	From	to	Annual Rate (%)	Amount
	0.00	11,474,072.56	0.2000	5,737.04
			Management Fee	5,737.04
Quarterly management fee for 1/1/2017 (Global Equity)	18,735,622.75	0.01750000	1/1/2017	3,278.73
	From	to	Annual Rate (%)	Amount
	0.00	18,735,622.75	0.0700	3,278.73
			Management Fee	3,278.73

Account Name	Account Owner	Account Number	Market Value	Billable Balance	Amount
Quarterly management fee for 1/1/2017					
Commodities	Pension Fund, DeKalb Police	70309091	162,532.73	162,532.73	1,250.00
Fixed Income	Pension Fund, DeKalb Police	760108-01-9	11,474,072.56	11,474,072.56	5,737.04
Global Equity	Pension Fund, DeKalb Police	94573541	18,735,622.75	18,735,622.75	3,278.73

**Total Amount** **10,265.77**

**Total Balance Due** **10,265.77**



David Wall  
 Wall & Associates



**DEKALB POLICE PENSION FUND CUSTODY**

Account: 76-0108-01-9  
Invoice: 5007728  
Invoice Date: April 11, 2017  
Page 1 of 2

Account Officer: **Amanda Brown**  
(815) 754-5047  
amandabrown@fnni.com

**Invoiced Fee Summary**

Balance From Previous Invoice	\$918.00
Payments Received	-918.00
Current Quarterly Fees	828.00
<b>Total Amount Due</b>	<b>\$828.00</b>

\*\*\*\*\*IMPORTANT PAYMENT INFORMATION\*\*\*\*\*

PLEASE REMIT AMOUNT DUE IN THE ENVELOPE PROVIDED.

CUSTOMER COPY

Detach and return portion below in the enclosed envelope.

D1

First National Bank of Omaha  
1620 Dodge St, Stop 8143  
Omaha NE 68197

Account: 76-0108-01-9 Invoice: 5007728  
Invoice Date: April 11, 2017

**Amount Due: \$828.00**

Amount Paid:

PAYMENT DUE 45 DAYS FROM INVOICE DATE

Please remit payment to:

First National Bank of Omaha  
Attn: Fee Desk  
1620 Dodge St, Stop 8143  
Omaha NE 68197

Dekalb Police Pension Fund  
C/O Lt Jim Kayes  
700 W. Lincoln  
Dekalb IL 60115

D1



# Lauterbach & Amen, LLP

CERTIFIED PUBLIC ACCOUNTANTS

*DeKalb Police Pension Fund*  
700 W. Lincoln Highway  
DeKalb, IL 60115

*Invoice No: 21341*  
*Date: 04/20/2017*  
*Client No: DEKALBPOLIC*

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SERVICE	AMOUNT
For professional services rendered for the month of March, 2017	
Accounting Services	625.00
Payroll Services	140.00
<b>Current Amount Due \$</b>	<u>765.00</u>

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