MINUTES OF REGULAR MEETING
BOARD OF TRUSTEES OF THE POLICE PENSION FUND
OF AURORA, ILLINOIS HELD ON
JANUARY 10, 2019

PRESENT:  Daniel Hoffman  -Trustee/Retiree/President
          Lee Catavu  -Trustee/Active/Secretary
          Larry Suttle  -Trustee/Appointed
          John Duggan  -Trustee/Appointed
          Martin Lyons  -Trustee/Appointed

ALSO PRESENT:  Charles Atwell, Jr.  -Attorney Representing Police Pension Board
                Erin Miller  -Pension Clerk
                Janet L. Hayden  -Court Reporter

(1) Meeting was called to order at 8:10 a.m. in the 5th floor Conference Room B, City Hall, 44 East Downer Place, Aurora, Illinois.

(2) MINUTES – The minutes of the regular meeting held on October 11, 2018 and the special meetings held on October 1, 2018 & November 29, 2018.

Motion was made by Trustee Suttle and seconded by Trustee Lyons to approve the minutes of the regular meeting on October 11, 2018 and the special meetings held on October 1, 2018 & November 29, 2018. Motion approved unanimously.

(3) DEPUTY TREASURER POSITION (HELD SINCE THE JULY 19, 2018 MEETING) – Item was taken off the agenda.

(4) 2019 PENSION INCREASES –

Motion was made by Trustee Duggan and seconded by Trustee Suttle to table this item until the next meeting where the increases will be approved retroactively. Motion approved unanimously.

Trustee Lyons stepped out.

(5) CALCULATION OF PENSION BENEFITS
Motion was made by Trustee Lyons and seconded by Trustee Hoffman to accept the pension calculation for Alvin Soto who has 25 years of service. The effective date is January 5, 2019 for an annual pension amount of $70,881.70. Motion approved unanimously.

Motion was made by Trustee Suttle and seconded by Trustee Duggan to accept the pension calculation for Rose O’Brien who has 28 years of service. The effective date is January 5, 2019 for an annual pension amount of $79,387.50. Motion approved unanimously.

(6) REFUND OF PENSION CONTRIBUTIONS

Motion was made by Trustee Duggan and seconded by Trustee Suttle to accept the request for a refund of pension contributions by Mohammed Akhtar in the amount of $2,118.56. Motion approved by the Board except Trustee Lyons.

Motion was made by Trustee Duggan and seconded by Trustee Suttle to accept the request for a refund of pension contributions by Melvin Santiago in the amount of $1,766.54. Motion approved by the Board except Trustee Lyons.

(7) PENSION BOARD ELECTIONS - Discussion followed.

Motion was made by Trustee Duggan and seconded by Trustee Suttle to send the election notice on February 7th regarding the election on April 15, 2019. Motion approved by the Board except Trustee Lyons.

(8) TRANSFER OF SERVICE CREDIT — Joel Clausing

Motion was made by Trustee Catavu and seconded by Trustee Duggan to accept the calculations from the memorandum of January 7, 2019 allowing Joel Clausing to purchase five years, one month and seventeen days of prior service credit in the amount of $46,712.00. He is bringing $60,634.14 from the City of Macomb. Motion approved by the Board except Trustee Lyons.

(9) ANNUAL PHYSICALS

Motion was made by Trustee Suttle and seconded by Trustee Catavu to continue the disability pension of Brian Rayburn based on the medical evaluation of Dr. Simon Lee dated October 10, 2018. Motion approved by the Board except Trustee Lyons.

Trustee Lyons returned to the meeting.

Motion was made by Trustee Duggan and seconded by Trustee Suttle to continue the disability pension of Jon A. Spanu based on the medical evaluation of Dr. William Dagiantis dated August 21, 2018. Motion approved unanimously.
Motion was made by Trustee Catavu and seconded by Trustee Suttle to continue the disability pension of Ronald Vaught based on the medical evaluation of Dr. Patrick Chang dated October 18, 2018. Motion approved unanimously.

(10) **ILLINOIS PENSION CODE 1.109, 1.113.1, & 1.125** – Discussion and questions followed.

Motion was made by Trustee Duggan and seconded by Trustee Catavu to acknowledge the Board has reviewed Pension Codes 1.109, 1.133.1 & 1.125. Motion approved unanimously.

(11) **DECISION & ORDER** – John Thompson

Motion was made by Trustee Duggan and seconded by Trustee Suttle to enact the Board’s signed Decision and Order in connection with the matter of retirement benefits for John Thompson. Motion approved unanimously.

(12) All of the memorandums and calculations referred to in the above motions are incorporated into and made a part of these minutes.

(13) **FIDUCIARY INSURANCE** – Discussion and questions followed.

(14) **RECORDS RETENTION** – Discussion and questions followed.

(15) **CORRECTION TO THE BOARD CLERK’S STIPEND** –

Motion was made by Trustee Lyons and seconded by Trustee Duggan to adjust the Clerk’s stipend from 3% to 2%. Motion approved unanimously.

(16) **APPROVAL OF EXPENSES**

Motion was made by Trustee Suttle and seconded by Trustee Lyons to approve the expenses in the amount of $4,015,294.02. Motion approved unanimously.

(17) **PUBLIC COMMENT** – No comment.

(18) **OTHER BUSINESS**

Motion was made by Trustee Lyons and seconded by Trustee Duggan to approve the dates for the remaining pension board meetings this year – April 11th, July 26th and October 10th. Motion approved unanimously.

Discussion followed regarding training certificates.
Trustee Catavu addressed the Board regarding Police Retiree Beneficiary Death Auditing.

(19) Motion was made by Trustee Brown and seconded by Trustee Suttle to adjourn the regular meeting at 8:55 A.M.

(19) It is noted that the details of the meeting as set forth in “Report of Proceedings” by Janet L. Hayden of County Court Reporters, Inc., are herewith encompassed and made a part of these minutes.

[Signatures]

President

Secretary

Vice-President

Trustee

Trustee
**AURORA POLICE PENSION FUND**

**PENSION CALCULATION**

Alvin Soto

<table>
<thead>
<tr>
<th>Date of Birth:</th>
<th>05/31/67</th>
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<tbody>
<tr>
<td>Dates of Service:</td>
<td>07/19/93 - 01/04/19</td>
</tr>
<tr>
<td>Date of Retirement:</td>
<td>01/04/19</td>
</tr>
<tr>
<td>Date Pension Begins:</td>
<td>01/05/19</td>
</tr>
<tr>
<td>Age at Retirement:</td>
<td>51</td>
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<tr>
<td>Credited Svc. (Yrs.):</td>
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<tr>
<td>Full Years</td>
<td>25</td>
</tr>
<tr>
<td>Spouse's DOB:</td>
<td>09/29/67</td>
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<tr>
<td>Spouse's Age:</td>
<td>51</td>
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<table>
<thead>
<tr>
<th>Base Salary (Patrolman)</th>
<th>$104,748.80</th>
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<tbody>
<tr>
<td>Longevity (2.5%)</td>
<td>2,618.72</td>
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<tr>
<td>Reporting Time</td>
<td>6,043.20</td>
</tr>
<tr>
<td>Total Salary Attached to Rank</td>
<td>113,410.72</td>
</tr>
<tr>
<td>Rate of Pension (Service)</td>
<td>62.5000%</td>
</tr>
</tbody>
</table>

Annual Pension

| $70,881.70 |

Monthly Pension

| $5,906.81 |

Nontaxable Portion:

| Investment in Contract | / |
| Number of Payments     | / |
| Nontaxable Amount      | / |

Prorated First Month's Pension:

| Monthly Pension        | $5,906.81 |
| Number of Days in Month | / 31 |
| Daily Pension          | 190.54    |
| Number of Days in Month Entitled to a Pension | x 27 |
| First Month's Prorated Pension | $5,144.58 |

Monthly Pension Increases:

| 6/1/2022   | $590.68 | 10.00% of original pension | $6,497.49 |
| 1/1/2023   | $194.92 | 3.00% of current pension   | $6,692.41 |
| Each January 1 thereafter | 3.00% of current pension |

This calculation is subject to the application of the laws and regulations of the State of Illinois, approval by the Aurora Police Pension Fund Board of Trustees, and audit by the Illinois Department of Insurance.

Date Prepared: 11/5/18
AURORA POLICE PENSION FUND
PENSION CALCULATION

Rose O'brien

Date of Birth: 08/10/68
Dates of Service: 08/27/90 - 01/04/19
Date of Retirement: 01/04/19
Date Pension Begins: 01/05/19
Age at Retirement: 50

Credited Svc. (Yrs.):
Full Years 28
Spouse's DOB: 10/22/66
Spouse's Age: 52

Base Salary (Patrolman) $104,748.80
Longevity (2.5%) $2,618.72
Reporting Stipend 6,043.20
Total Salary Attached to Rank 113,410.72
Rate of Pension (Service) 70.0000%

Annual Pension $79,387.50

Monthly Pension $6,615.63

Prorated First Month's Pension:
Monthly Pension $6,615.63
Number of Days in Month / 31
Daily Pension $213.41
Number of Days in Month Entitled to a Pension x 27
First Month's Prorated Pension $5,762.07

Monthly Pension Increases:
9/1/2023 $909.65 13.75% of original pension $7,525.28
1/1/24 $225.76 3.00% of current pension $7,751.04
Each January 1 thereafter 3.00% of current pension

This calculation is subject to the application of the laws and regulations of the State of Illinois, approval by the Aurora Police Pension Fund Board of Trustees, and audit by the Illinois Department of Insurance.

Date Prepared: 12/19/18
MEMORANDUM

TO: Aurora Police Pension Fund Board of Trustees
FROM: Stacey L. Hamling, Assistant Director of Finance
DATE: January 7, 2019
SUBJECT: Transfer of Service Credit Related from Other Article 3 Fund – Joel Clasing

Joel Clasing submitted to a request to transfer pension service credit from the Macomb Police Pension Fund to our fund. On September 12, 2018, I provided Mr. Clasing with a calculation of the amount that he would need to pay in order to transfer the service credit. The pension fund actuary calculated the “officer true cost” amount. Please see the first attachment.

Mr. Clasing has elected to transfer the service credit pursuant to Illinois Public Act 096-0297 that requires no additional payment from him. The amount of service credit is 5 years, 1 months, and 17 days. Please see the attached election form (second attachment).

At your regular meeting on January 11, 2019, I will ask that you grant the aforementioned amount of service credit to Mr. Clasing.

attachments

Filename: \Pension\Police\Participants\Clausing\Transfer6b
AURORA POLICE PENSION FUND
Final Authorization to Transfer Creditable Service

Name: Joel M. Clausing
Prior Pension Fund: Macomb Police Pension Fund
Period of Creditable Service With Prior Pension Fund: 5 years, 1 months, and 17 days

I, Joel M. Clausing, hereby make the following final authorization concerning the transfer of the above indicated creditable service to the Aurora Police Pension Fund: (check where appropriate)

✓ I authorize the transfer of my creditable service with the prior pension fund indicated above to the Aurora Police Pension Fund. I understand that this final authorization cannot be reversed. I also understand that if I elect below to make my additional contribution through periodic payments and I fail to adhere to the payment arrangements, the transfer will be void and I will forfeit the amount of the prior pension fund "match." Furthermore, I understand that if I fail to adhere to any payment arrangements, (1) my creditable service time with the prior pension fund will be lost, (2) my creditable service cannot be transferred to another pension fund, and (3) my creditable service time cannot be reinstated with the prior pension fund.

I request to withdraw my initial application to transfer my creditable service with the prior pension fund indicated above to the Aurora Police Pension Fund.

[Signature]
Joel M. Clausing

09/19/2018
Date
TRUE COST FOR CREDITABLE SERVICE TRANSFER

September 6, 2018

Aurora Police Pension Board:

The following information is being provided to you to assist in determining the "True Cost" of transferring an officer's creditable years of service from another Article 3 pension fund.

Also enclosed is the calculation of creditable service time credited in lieu of payment of additional contribution.

Attached is the following:

A) A summary of information received from you on August 22, 2018 on the Creditable Service Transfer Request Form.

B) The actuarial accrued liability and reserve figures calculated based on assumptions approved for the December 31, 2017 valuation and the calculated True Cost.

C) The formula used in determining the "True Cost" of transferring the creditable service years as shown in B).

D) The amount to be paid by the officer. This amount is also known as the officer's additional contribution and equals the True Cost less the amount transferred from the prior pension fund.

E) A summary of actuarial assumptions and methods.

If you have any questions regarding the information contained in this letter, please contact:

Jason L. Franken
Enrolled Actuary #17-06888
Foster & Foster, Inc.
A) Information Summary

Officer's Name: Joel M. Clausing  
Date of Birth: January 8, 1991  
Calculation Date: September 15, 2018  
Age as of Notification Date: 27 Years  
Current Salary: $76,440.00  
Benefit Tier: Tier 2  
Creditable Service in Current Fund: 0 Years, 4 Months, 1 Days  
Creditable Service Being Transferred: 5 Years, 1 Months, 17 Days  
Money Transferred from Prior Fund: $60,634

B) Actuarial Accrued Liability and True Cost

<table>
<thead>
<tr>
<th>Status</th>
<th>Combined Years of Creditable Service</th>
<th>Current Fund Creditable Service Only</th>
<th>True Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active</td>
<td>$47,233</td>
<td>$521</td>
<td>$46,712</td>
</tr>
</tbody>
</table>

C) True Cost Formula

True Cost equals \[\text{(Actuarial Accrued Liability from the “Combined Years of Creditable Service” column from the table in section B})\] minus \[\text{(Actuarial Accrued Liability from the “Current Fund Creditable Service Only” column from the table in section B})\].

The True Cost is provided in the table in section B): $46,712

D) Amount of Officer's Additional Contribution

Officer's Additional Contribution equals:

[True Cost] minus [Amounts transferred to Current Fund from Previous Fund]

[$46,712] minus [$60,634]:  $0

E) The assumptions used in determining the actuarial accrued liability shown in section B) above are the same assumptions the The Board approved for the December 31, 2017 Actuarial Valuation:

Method: Projected Unit Credit  
Interest Rate Assumption: 6.50%  
Salary Progression Assumption: Graded schedule based on service  
Mortality: RP-2000 Combined Healthy, projected to the valuation date with Scale BB