

Rochelle Police Pension Fund  
416 N. 6<sup>TH</sup> ST.  
ROCHELLE, IL 61068

**Phone: (815) 561-2016**  
*Terry Inman – President*

**Fax: (815) 562-6736**  
*Jason Goodwin – Vice-President*

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October 24, 2011

Honorable Mayor Chet Olson  
Members of Rochelle City Council  
Mr. David Plyman – City Manager

Re: Rochelle Police Pension Fund Annual Report to the City of Rochelle

Mayor Olson, Council & Mr. Plyman,

Attached please find the “*Annual Report to the City*” regarding the status of the Rochelle Police Pension Fund as of April 30, 2011; submitted herein according to Illinois Compiled Statute (40 ILCS 5/3-143).

Please don't hesitate to call on me should you have any questions or comments and I look forward to meeting with you to discuss the continued funding and health of our Fund.

Respectfully submitted,



Detective Terry Inman  
President - Rochelle Police Pension Fund

Cc: Police Pension Board Members – via e-mail  
Mr. Richard Reimer (Board Attorney) – via e-mail  
Mr. Jon Willhite (Investment Consultant) – via e-mail

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## REQUIRED REPORTING TO MUNICIPALITY BY PENSION BOARD

As of April 30, 2011 fiscal year end

(40 ILCS 5/3-143) (from Ch. 108 1/2, par. 3-143)

Sec. 3-143. Report by pension board.

The pension board shall report annually to the city council or board of trustees of the municipality on the condition of the pension fund at the end of its most recently completed fiscal year. The report shall be made prior to the council or board meeting held for the levying of taxes for the year for which the report is made.

**1.**

Total Trust Assets (copy available upon request)

Total Assets (market value):	<b>\$11,004,676</b>
Actuarial Value of Assets (see item 8 for explanation):	<b>\$11,004,676</b>

**2.**

Estimated receipts during the next succeeding fiscal year from:

Participant Contributions deducted from payroll:	<b>\$118,134</b>
Employer Contributions and all other sources:	<b>\$174,576</b>

**3.**

Estimated amount required during the next succeeding fiscal year to:

(a) pay all pensions and other obligations provided in this Article:	<b>\$725,181</b>
(b) meet the annual requirements of the fund as provided in Sections 3-125 and 3-127:	<b>\$292,710</b>

**4.**

Total Net Income received from investment of net assets:	<b>\$1,116,088</b>
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Assumed Investment Return:	<b>7.25%</b>
Actual Investment Return:	<b>10.12%</b>

Total Net Income received from investment of net assets (FYE April 30, 2010):	<b>\$1,507,022</b>
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Assumed Investment Return (FYE April 30, 2010):	<b>7.25%</b>
Actual Investment Return (FYE April 30, 2010):	<b>15.37%</b>

**5.**

Total number of Active Employees that are financially contributing to the fund:	<b>20</b>
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**6.**

Disbursements to:

(i) Annuitants in receipt of a regular retirement pension:

Total number of annuitants:	<b>11</b>
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Total amount that was disbursed in benefits:	<b>\$796,593</b>
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(ii) Recipients being paid a disability pension:

Total number of annuitants:	<b>0</b>
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Total amount that was disbursed in benefits:	<b>\$ 0</b>
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(iii) Survivors and children in receipt of benefits:

Total number of annuitants:	<b>5</b>
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Total amount that was disbursed in benefits:	<b>\$ 0</b>
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7.  
Funded ratio of the fund: 84.77%
8.  
Unfunded Actuarial Accrued Liability: \$1,977,096

The Unfunded Actuarial Accrued Liability is the excess of the Actuarial Accrued Liability over the Actuarial Value of Assets.

The Actuarial Accrued Liability is the portion of the present value of future plan benefits reflecting projected credited service and salaries determined by the actuarial cost method based upon the plan's actuarial assumptions and not provided for at a valuation date by the actuarial present value of future normal costs. The normal cost is the portion of this present value which is allocated to the current valuation year.

The Actuarial Value of Assets is the asset value derived by using the plan's asset valuation method which is a method designed to smooth random fluctuations in asset values. The objective underlying the use of an asset valuation method is to provide for the long-term stability of municipal contributions.

9.  
Investment Policy of the pension board under the statutory investment restrictions imposed on the fund. (copy available upon request)

#### Certification

I, Terry Inman, President of the Rochelle Police Pension Board, City of Rochelle, Ogle County, Illinois, do hereby certify that this document is a true and correct copy of: "Required Reporting to Municipality By Pension Board" as outlined in 40 ILCS 5/3-143.

Witness my hand this 24<sup>th</sup> day of October, 2011.

  
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Terry Inman  
President of Rochelle Police Pension Board

Source: P.A. 95-950, eff. 8-29-08