City of
CHAMPAIGN

REPORT TO CITY COUNCIL

FROM: **James Cross, President**

DATE: **March 2, 2012**

SUBJECT: **ANNUAL FIRE PENSION FUND REPORT – INFORMATION ONLY**

The attached report fulfills the requirements of Public Act 095-0950, which requires that the Fire Pension Board provide a report on the Fire Pension Fund to City Council. This report is supposed to be provided prior to adoption of the annual tax levy. This did not occur due to accounting staff vacancies.

The estimated amount needed during the next succeeding fiscal year (item number four on the attached report) does not come entirely from current funds. It is a combination of amounts budgeted from current funds in addition to the property tax levy.

Council members are encouraged to contact the Finance Director (who serves as Treasurer of the Fire Pension Fund) with any questions.

Prepared by:

Leslie J. Lundy
Financial Services Manager /
City Accountant

Reviewed by:

Richard A. Schnuer
Finance Director

Attachment

Report of the Board of Trustees of the City of Champaign Firefighters' Pension Fund
to the City of Champaign City Council
For the Fiscal Year Ended June 30, 2011

1.	Total assets in the fund's custody as of June 30, 2011	59,280,557
2.	Current market value of those assets as of October 31, 2011	57,916,574
3.	Estimated receipts during the next succeeding fiscal year from employee contributions	669,746
4.	Estimated amount needed during the next succeeding fiscal year to cover pension payments, employer contributions, & debt reserves	7,480,010
5.	Income from investment of assets for the fiscal year ended June 30, 2011	458,146
	Change in fair value of investments for the fiscal year ended June 30, 2011	6,893,956
6.	Assumed investment return for the fiscal year ended June 30, 2011	7.0%
7.	Actual investment return for the fiscal year ended June 30, 2011	14.4%
8.	Income from investment of assets for the fiscal year ended June 30, 2010	667,674
	Change in fair value of investments for the fiscal year ended June 30, 2010	4,589,166
9.	Assumed investment return for the fiscal year ended June 30, 2010	7.0%
10.	Actual investment return for the fiscal year ended June 30, 2010	11.5%
11.	Total number of active employees making contributions to the fund as of June 30, 2011	97
12.	Amount disbursed in benefits for the fiscal year ended June 30, 2011	3,602,894
13.	Number of annuitants receiving a retirement pension for the fiscal year ended June 30, 2011	49
	Amounts of retirement pensions disbursed for the fiscal year ended June 30, 2011	2,498,175
14.	Number of annuitants receiving a disability pension for the fiscal year ended June 30, 2011	10
	Amounts of disability pensions disbursed for the fiscal year ended June 30, 2011	454,122
15.	Number of annuitants receiving a survivor pension for the fiscal year ended June 30, 2011	20
	Amounts of survivor pensions disbursed for the fiscal year ended June 30, 2011	583,041
16.	Funded ratio of pension fund (as of July 1, 2010)	74.2%
17.	Total unfunded liability and actuarial explanation of unfunded liability (as of July 1, 2010) See attached actuarial valuation for explanation of unfunded liability.	18,807,243
18.	Investment policy of the pension board as defined by state statute	Attachment A
19.	Goldstein Actuarial Valuation 07/01/2010	Attachment B

Attachment B

CITY OF CHAMPAIGN
FIREFIGHTERS' PENSION FUND

ACTUARIAL VALUATION
AS OF JULY 1, 2010

GOLDSTEIN & ASSOCIATES

GOLDSTEIN & ASSOCIATES
Actuaries and Consultants

29 SOUTH LaSALLE STREET SUITE 735
CHICAGO, ILLINOIS 60603
PHONE (312) 726-5877 FAX (312) 726-4323

October 3, 2011

Board of Trustees
City of Champaign
Firefighters' Pension Fund
307 South Randolph
Champaign, Illinois 61820

Re: **Actuarial Valuation of the City of Champaign Firefighters' Pension Fund**

Dear Board Members:

I am pleased to submit our actuarial report on an actuarial valuation of the City of Champaign Firefighters' Pension Fund as of July 1, 2010.

The report consists of 11 Sections and 2 Appendices as follows:

		Page No.
Section A	- Purpose and Summary	1
Section B	- Data Used For Valuation	1
Section C	- Fund Provisions	3
Section D	- Actuarial Assumptions and Cost Method	3
Section E	- Actuarial Liability	5
Section F	- Reconciliation of Change in Unfunded Liability	6
Section G	- Employer's Normal Cost	7
Section H	- Annual Actuarial Requirements	8
Section I	- Alternate Actuarial Valuation	10
Section J	- Net Pension Obligation and Other GASB Disclosure	12
Section K	- Certification	16
Appendix 1	- Summary of Principal Provisions	17
Appendix 2	- Glossary of Terms	19

I would be pleased to discuss any aspects of this report with you and other interested persons.

Respectfully submitted,

Sandor Goldstein, F.S.A.
Consulting Actuary

A. PURPOSE AND SUMMARY

We have carried out an actuarial valuation of the City of Champaign Firefighters' Pension Fund as of July 1, 2010. The purpose of the valuation was to determine the financial position and the annual actuarial requirements of the pension fund. This report is intended to present the results of the valuation. The results of the valuation are summarized below:

1. Total actuarial liability	$	72,951,486
2. Actuarial value of assets	$	54,144,243
3. Unfunded actuarial liability	$	18,807,243
4. Funded ratio		74.2%
5. Employer's normal cost for year beginning July 1, 2010	$	1,488,719
6. Annual actuarial requirement for year beginning July 1, 2010	$	3,865,208

B. DATA USED FOR THE VALUATION

Participation Data. The participant data required to carry out the valuation was supplied by the pension fund. The participant data for the pension fund as of July 1, 2010, on which the valuation is based, is summarized in Exhibit 1. It can be seen that there were 100 active members, 2 inactive members and 81 members receiving benefits. The total active payroll as of July 1, 2010 was $7,017,586.

Exhibit 1

Summary of Participant Data

1. Number of Members		
(a) Active Members		
(i) Vested		64
(ii) Non-vested		36
(b) Inactive Members		2
(c) Members Receiving		
(i) Retirement Pensions		47
(ii) Survivor Pensions		24
(iii) Disability Pensions		10
(d) Total		183
2. Annual Salaries		
(a) Total Salary	$	7,017,586
(b) Average Salary		70,176
3. Total Accumulated Contributions of Contributors	$	6,185,066
4. Annual Benefit Payments Currently Being Made		
(a) Retirement Pensions		2,469,399
(b) Survivor Pensions		589,777
(c) Disability Pensions		448,184

Assets. In November of 1994, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 25, which establishes standards of financial reporting for governmental pension plans. The statement is effective for periods beginning after June 15, 1996.

Under GASB Statement No. 25, the actuarial value of assets to be used for determining a plan's funded status and annual required contribution needs to be **market related**. However, GASB has indicated that current market values should not be used if those values would result in unnecessary fluctuation in the funded status and the annual required contribution. Thus, in determining the actuarial value of assets, smoothing changes in the market value of assets over a period of three to five years is considered appropriate.

The asset values for the valuation were based on the asset information contained in the financial statements of the pension fund as of June 30, 2010. The actuarial value of assets was determined by smoothing unexpected gains or losses from investment return over a four-year period. The resulting actuarial value of assets is $54,144,243. The development of this value is outlined in Exhibit 2.

Exhibit 2

Actuarial Value of Assets

A. Development of Investment Gain or Loss

1.	Market Value of Assets as of June 30, 2009	$ 45,492,302
2.	Contributions	3,869,845
3.	Benefits and Administrative Expenses	3,534,517
4.	Expected Investment Income	3,195,999
5.	Actual Investment Income	5,175,170
6.	Investment Gain/(Loss) (5 – 4)	1,979,171

B. Development of Actuarial Value of Assets

7.	Market Value of Assets as of June 30, 2010	$ 51,002,800
8.	Investment Gain/(Loss) deferred for current year (75% of 6)	1,484,378
9.	Investment Gain/(Loss) deferred for 2009 (50% of -$7,483,399)	(3,741,700)
10.	Investment Gain/(Loss) deferred for 2008 (25% of -$3,536,483)	(884,121)
11.	Actuarial Value of Assets as of June 30, 2010 (7 – 8 – 9 – 10)	$ 54,144,243

C. FUND PROVISIONS

Our valuation was based on the provisions of the fund in effect as of July 1, 2010 as provided in Article 4 of the Illinois Pension Code. A summary of the principal provisions of the fund is provided in Appendix 1.

D. ACTUARIAL ASSUMPTIONS AND COST METHOD

The actuarial assumptions used for the July 1, 2010 actuarial valuation are the same as those used for the July 1, 2009 actuarial valuation. The actuarial assumptions used for the July 1, 2010 valuation are outlined below:

Mortality Rates. The UP-1984 Mortality Table was used for active and retired members. The UP-1984 Mortality Table, rated up 3 years, was used for disabled members.

Termination Rates. Termination rates are used to estimate the probability that an employee will terminate employment at a given age. The following is a sample of the termination rates that were used:

Age	Rate of Termination
25	.0175
30	.0110
35	.0045
40	.0005
45	.0066
50 and above	.0088

Disability Rates. Disability rates are used to estimate the probability that an employee will become disabled at a given age. The following is a sample of the disability rates that were used:

Age	Rate of Disability
25	.0020
30	.0030
35	.0040
40	.0070
45	.0100
50	.0160
55	.0300
60	.0420
65	.0000

Retirement Rates. Retirement rates are used to estimate the probability that an employee will retire at each age at which a retirement benefit is available. The following is a sample of the retirement rates that were used:

Age	Rate of Retirement
50	.1365
55	.1350
60	.3012
65	.2642
66	1.0000

Salary Progression. Annual salaries of active firefighters' are assumed to increase by 4.0% per year. Additional increases of 4.87%, 4.64% and 4.43% are assumed to occur upon the completion of the first, second and third years of service, respectively.

Investment Return. 7.0% per year compounded annually. This investment return assumption can be considered to be comprised of a real return of 3.5% per year and an inflation factor of 3.5% per year.

Marital Status. 80% of participants were assumed to be married.

Spouse's Age. The age of the spouse was assumed to be 4 years younger than the age of the employee.

Actuarial Value of Assets. The actuarial value of assets was determined by smoothing unexpected gains or losses over a period of 4 years.

Actuarial Cost Method. The entry age actuarial cost method was used with costs allocated on the basis of earnings.

E. ACTUARIAL LIABILITY

The actuarial liability as determined under the valuation for the various classes of members is summarized in Exhibit 3. The total actuarial liability is then compared with the actuarial value of assets in order to arrive at the unfunded actuarial liability. (The actuarial terms used in this report are defined in Appendix 2.)

As of July 1, 2010 the total actuarial liability is $72,951,486, the actuarial value of assets is $54,144,243, and the unfunded actuarial liability is $18,807,243. The ratio of the actuarial value of assets to the actuarial liability, or funded ratio, is 74.2%.

Exhibit 3

Actuarial Liability as of July 1, 2010

1. Actuarial Liability For Members Receiving Benefits	
(a) Retirement Pensions	$ 30,569,291
(b) Survivor Pensions	4,391,420
(c) Disability Pensions	5,917,654
(d) Total	$ 40,878,365
2. Actuarial Liability For Inactive Members	47,871
3. Actuarial Liability For Active Members	32,025,250
4. Total Actuarial Liability	$ 72,951,486
5. Actuarial Value of Assets	54,144,243
6. Unfunded Actuarial Liability	$ 18,807,243
7. Funded Ratio	74.2%

F. RECONCILIATION OF CHANGE IN UNFUNDED LIABILITY

The net actuarial experience during the period July 1, 2009 to July 1, 2010 resulted in an increase in the fund's unfunded liability of $52,264. This increase in the unfunded liability is a result of several kinds of gains and losses, which have an impact on the unfunded liability. The financial effect of the most significant gains and losses is illustrated in Exhibit 4.

The employer's normal cost plus interest on the unfunded liability for the year beginning July 1, 2009 was $2,780,972. This is the contribution which would have been required to keep the unfunded liability from growing assuming the fund's experience had been in line with the actuarial assumptions. The employer contribution amounted to $3,202,615. This resulted in a decrease in the unfunded liability of $421,643.

The net rate of investment return earned by the fund based on the actuarial value of assets, including recognition of gains and losses from prior years, was approximately 3.2% in comparison with an assumed rate of 7.0%. Investment earnings lower than assumed resulted in an increase in the unfunded liability of $1,976,727. Salary increases less than the assumed rate resulted in a decrease in the unfunded liability of $1,080,215.

The various other aspects of the fund's experience resulted in a decrease in the unfunded liability of $422,605. The aggregate financial experience of the fund resulted in an increase in the unfunded

liability of $52,264.

Exhibit 4

Reconciliation of Change in Unfunded Liability
Over the Period July 1, 2009 to July 1, 2010

1. Unfunded liability as of July 1, 2009	$ 18,754,979
2. Decrease in unfunded liability due to employer contribution greater than normal cost plus interest on the unfunded liability	(421,643)
3. Increase in unfunded liability due to investment return lower than assumed, including recognition of gains and losses from prior years	1,976,727
4. Decrease in unfunded liability due to salary increases lower than assumed	(1,080,215)
5. Decrease in unfunded liability due to other sources	(422,605)
6. Total increase in unfunded liability (2 + 3 + 4 + 5)	$ 52,264
7. Unfunded liability as of July 1, 2010 (1 + 6)	$ 18,807,243

G. EMPLOYER'S NORMAL COST

The normal cost for the year beginning July 1, 2010 is developed in Exhibit 5. The total normal cost is $2,152,232, employee contributions are estimated to be $663,513, resulting in the employer's share of the normal cost of $1,488,719. Based on a payroll of $7,017,586, the employer's share of the normal cost can be expressed as 21.21% of payroll.

Exhibit 5

Normal Cost For Year Beginning July 1, 2010

	Dollar Amount	Percent of Payroll
1. Basic Retirement Pension	$ 816,143	11.63%
2. Annual Increases in Pension	235,506	3.36
3. Survivor's Pension	348,983	4.97
4. Disability Pension	710,522	10.12
5. Refunds	13,216	.19
6. Administrative Expenses	27,862	.40
7. Total Normal Cost	$ 2,152,232	30.67%
8. Employee Contributions	663,513	9.46
9. Employer's Share of Normal Cost	$ 1,488,719	21.21%

Note. The above normal cost figures are based on a total active payroll of $7,017,586 as of July 1, 2010.

H. ANNUAL ACTUARIAL REQUIREMENTS

According to Section 5/4-118 of the Illinois Pension Code, the City shall annually levy a tax, which, together with revenues available from other sources, will produce an amount sufficient to meet the annual actuarial requirements of the pension fund. Section 5/4-118 defines the annual actuarial requirements of the pension fund to be equal to (1) the normal cost of the pension fund, plus (2) the annual amount required to amortize the fund's unfunded actuarial liability over a period of 40 years from July 1, 1993 as a level percent of payroll.

Prior to July 1, 1993, the annual actuarial requirements had been based on a 40-year amortization from January 1, 1980 with level dollar payments. After July 1, 1993, the board adopted a policy of continuing to use a 40-year amortization from January 1, 1980 with level dollar payments. In May of 2005, the board adopted a policy to amortize the increase in unfunded liability due to the benefit increases enacted under Public Act 93-0689 over a 25-year period beginning July 1, 2004 with level dollar payments.

Thus, we have determined an annual actuarial requirement for the year beginning July 1, 2010 using a period of 25 years from July 1, 2004 to amortize the increase in unfunded liability attributable to the benefit increases enacted under Public Act 93-0689 through level dollar payments. We are continuing to amortize the balance of the unfunded liability over a 40-year period from January 1, 1980 through level dollar payments.

Based on the above, the annual actuarial requirement of the pension fund for the year beginning July 1, 2010 is developed in Exhibit 6. As can be seen from Exhibit 6, for the year beginning July 1, 2010, the annual actuarial requirement of the pension fund amounts to $3,865,208, or 55.08% of payroll.

Exhibit 6

Annual Actuarial Requirements

	Dollar Amount	Percent of Payroll
1. Employer's Normal Cost	$ 1,488,719	21.21%
2. Annual Amount Required to Amortize Increase in Unfunded Liability Resulting from Public Act 93-0689 Over 25 Years From July 1, 2004 As a Level Dollar Amount	571,931	8.15
3. Annual Amount Required to Amortize Balance of Unfunded Liability Over 40 Years From January 1, 1980 as a Level Dollar Amount	1,804,558	25.72
4. Annual Actuarial Requirement for Year Beginning July 1, 2010	$ 3,865,208	55.08%

Note. The above normal cost figures are based on a total active payroll of $7,017,586 as of July 1, 2010.

I. ALTERNATE ACTUARIAL VALUATION

As requested, we have performed an alternate actuarial valuation using an interest rate assumption of 6.75% per year instead of the interest rate assumption of 7.0% per year used for the regular valuation. The other actuarial assumptions that we used for this alternate actuarial valuation are the same as the assumptions used for the regular valuation. The results of this alternate actuarial valuation are summarized below:

Exhibit 7

Actuarial Liability as of July 1, 2010
Under Alternate Actuarial Valuation

1. Actuarial Liability For Members Receiving Benefits	
(a) Retirement Pensions	$ 31,235,064
(b) Survivor Pensions	4,459,012
(c) Disability Pensions	6,062,261
(d) Total	$ 41,756,337
2. Actuarial Liability For Inactive Members	47,871
3. Actuarial Liability For Active Members	33,254,747
4. Total Actuarial Liability	$ 75,058,955
5. Actuarial Value of Assets	53,997,024
6. Unfunded Actuarial Liability	$ 21,061,931
7. Funded Ratio	71.9%

Exhibit 8

Annual Actuarial Requirements
Under Alternate Actuarial Valuation

	Dollar Amount	Percent of Payroll
1. Employer's Normal Cost	$ 1,606,246	22.89%
2. Annual Amount Required to Amortize Increase in Unfunded Liability Resulting from Public Act 93-0689 Over 25 Years From July 1, 2004 As a Level Dollar Amount	562,391	8.01
3. Annual Amount Required to Amortize Balance of Unfunded Liability Over 40 Years From January 1, 1980 as a Level Dollar Amount	2,104,069	29.99
4. Annual Actuarial Requirement for Year Beginning July 1, 2010	$ 4,272,706	60.89%

J. NET PENSION OBLIGATION AND OTHER GASB DISCLOSURE

As requested, we have made calculations to determine the Net Pension Obligation as of June 30, 2010 for the City of Champaign Firefighters' Pension Fund. The Net Pension Obligation that we have calculated represents the cumulative difference between the annual pension cost and the employer's contribution. The results of our NPO calculation are shown in Exhibit 9.

The Schedule of Funding Progress and Five-Year Trend Information, as required under GASB Statements No. 25 and 27 are shown in Exhibits 10 and 11.

Supplementary Information

In the following, we provide some additional supplementary information based on the current actuarial valuation:

Valuation Date.	July 1, 2010
Actuarial Cost Method.	Entry age normal
Actuarial Value of Assets.	4-year smoothed market
Amortization Method.	Level dollar, closed
Remaining Amortization Period.	9.5 years
Actuarial Assumptions.	
Investment Rate of Return	7.0% per year
Projected Salary Increases	4.0% per year, plus an additional 4.87%, 4.64% and 4.43% after one, two and three years of service

Exhibit 9

Calculation of Net Pension Obligation as of June 30, 2010

Fiscal Year	ARC	Interest on NPO	Adjustment to ARC	Annual Pension Cost	Contri-bution	Change in NPO	NPO Balance
1991							81,926
1992	751,655	5,735	3,467	753,923	874,580	(120,657)	(38,731)
1993	704,476	(2,518)	(1,461)	703,419	945,452	(242,033)	(280,764)
1994	617,999	(18,250)	(10,746)	610,495	827,648	(217,153)	(497,917)
1995	682,425	(32,365)	(19,350)	669,410	828,161	(158,751)	(656,668)
1996	776,988	(42,683)	(25,929)	760,234	931,415	(171,181)	(827,849)
1997	705,993	(53,810)	(34,470)	686,653	1,091,977	(405,324)	(1,233,173)
1998	786,193	(80,156)	(52,195)	758,232	1,029,383	(271,151)	(1,504,324)
1999	797,847	(105,303)	(69,204)	761,748	1,022,027	(260,279)	(1,764,603)
2000	843,697	(123,522)	(82,507)	802,682	1,171,998	(369,316)	(2,133,919)
2001	966,514	(149,374)	(101,490)	918,630	1,086,754	(168,124)	(2,302,043)
2002	1,366,082	(161,143)	(225,749)	1,430,688	1,198,442	232,246	(2,069,797)
2003	1,615,917	(144,886)	(208,835)	1,679,866	1,335,220	344,646	(1,725,151)
2004	1,546,123	(120,761)	(179,611)	1,604,973	1,336,766	268,207	(1,456,944)
2005	2,306,764	(101,986)	(157,044)	2,361,822	1,481,439	880,383	(576,561)
2006	2,716,144	(40,359)	(64,588)	2,740,373	1,903,310	837,063	260,502
2007	2,827,252	18,235	30,463	2,815,024	2,417,120	397,904	658,406
2008	3,163,746	46,088	80,784	3,129,050	2,798,657	330,393	988,799
2009	3,264,497	69,216	128,071	3,205,642	2,997,872	207,770	1,196,569
2010	3,738,786	83,760	164,791	3,657,755	3,202,615	455,140	1,651,709

Exhibit 10

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Entry Age Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b)-(a))/(c)
07/01/2001	38,192,297	43,422,043	5,229,746	88.0%	4,294,167	121.8%
07/01/2002	39,437,985	46,394,422	6,956,437	85.0%	4,583,618	151.8%
07/01/2003	40,341,333	45,823,126	5,481,793	88.0%	5,071,694	108.1%
07/01/2004	41,279,474	54,712,535	13,433,061	75.4%	5,011,170	268.1%
07/01/2005	42,396,338	60,173,637	17,777,299	70.5%	5,338,139	333.0%
07/01/2006	44,065,639	61,773,778	17,708,139	71.3%	5,744,071	308.3%
07/01/2007	47,396,949	64,364,423	16,967,474	73.6%	6,489,359	261.5%
07/01/2008	50,393,274	67,687,588	17,294,314	74.4%	6,623,914	261.1%
07/01/2009	52,125,331	70,880,310	18,754,979	73.5%	7,196,912	260.6%
07/01/2010	54,144,243	72,951,486	18,807,243	74.2%	7,017,586	268.0%

Exhibit 11

Five-year Trend Information

Fiscal Year Ending	Annual Contribution Requirement (ARC)	Total Employer Contribution	Percentage of ARC Contributed
06/30/2006	2,716,144	1,903,310	70.1%
06/30/2007	2,827,252	2,417,120	85.5%
06/30/2008	3,163,746	2,798,657	88.5%
06/30/2009	3,264,497	2,997,872	91.8%
06/30/2010	3,738,786	3,202,615	85.7%

Exhibit 12

City of Champaign
Firefighters' Pension Fund

Age and Service Distribution of Active Participants as of June 30, 2010

Attained Age	Years of Service									Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Over	
Under 25	2	0	0	0	0	0	0	0	0	2
25-29	5	0	0	0	0	0	0	0	0	5
30-34	7	6	5	0	0	0	0	0	0	18
35-39	1	5	6	1	0	0	0	0	0	13
40-44	2	4	3	10	0	0	0	0	0	19
45-49	0	2	6	6	6	1	0	0	0	21
50-54	0	1	1	3	4	0	1	0	0	10
55-59	0	0	0	1	3	2	1	0	0	7
60-64	1	0	0	0	0	0	2	1	0	4
Over 65	0	0	0	0	0	0	0	0	1	1
Total	18	18	21	21	13	3	4	1	1	100

Average Age: 43.2 years
Average Service: 14.0 years

K. CERTIFICATION

This actuarial report has been prepared in accordance with generally accepted actuarial principles and practices and to the best of our knowledge, fairly represents the financial condition of the City of Champaign Firefighters' Pension Fund as of July 1, 2010.

Respectfully submitted,

Sandor Goldstein, F.S.A.
Consulting Actuary

Ryan Gundersen
Actuarial Analyst

Appendix 1

Summary of Principal Provisions

Pension Benefits

A firefighter age 50 or over who has at least 20 years of creditable service and is no longer in service as a firefighter is entitled to a monthly pension of 1/2 of the monthly salary attached to the firefighter's rank at the date of retirement. The pension is increased 1/12 of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service, to a maximum of 75% of such monthly salary.

Separation Benefits

A firefighter who is separated from service having at least 10 years but less than 20 years of creditable service is entitled upon attainment of age 60 to a pension based on the monthly salary attached to his or her rank in the fire service on the date of separation of service, according to the following schedule:

- For 10 years of service, 15.0% of salary;
- For 11 years of service, 17.6% of salary;
- For 12 years of service, 20.4% of salary;
- For 13 years of service, 23.4% of salary;
- For 14 years of service, 26.6% of salary;
- For 15 years of service, 30.0% of salary;
- For 16 years of service, 33.6% of salary;
- For 17 years of service, 37.4% of salary;
- For 18 years of service, 41.4% of salary;
- For 19 years of service, 45.6% of salary.

Annual Increases In Pension

The monthly pension of a firefighter who retires after January 1, 1977, shall, upon either the first of the month following the first anniversary of the date of retirement, if 55 years of age or over at retirement date, or upon the first day of the month following attainment of age 55 if it occurs after the first anniversary of retirement, be increased by 1/12 of 3% of the originally granted monthly pension for each full month that has elapsed since the pension began, and by an additional 3% in each January thereafter.

The monthly pension of a firefighter who is receiving a disability pension shall be increased in January of the year following the year the firefighter attains age 60 by 3% of the originally granted monthly pension for each year that pension payments have been made. In each January thereafter, the firefighter shall receive an additional increase of 3% of the original monthly pension.

Disability Pension

If a firefighter, as a result of an act of duty or an occupational disease, is found to be disabled for service in the fire department, the firefighter shall be granted a disability pension equal to the greater of (1) 65% of the firefighter's salary, or (2) the retirement pension that the firefighter would be eligible to receive if he or she retired.. If the disability is the result of any cause, and the firefighter has a minimum of 7 years of creditable service, the disability pension is 50% of monthly salary.

In addition, any firefighter disabled by an act of duty or an occupational disease is entitled to receive a child's disability benefit of $20 a month for each dependent minor child, provided that the total benefits received does not exceed 75% of the salary he or she was receiving at the date of removal from the municipality's payroll.

Pension To Survivors

Upon the death of an active firefighter, his or her surviving spouse, is entitled to a survivor's pension of 54% of the firefighter's monthly salary. Upon the death of a disabled, or retired firefighter, his or her surviving spouse, children, or dependent parents are entitled to a survivor's pension as follows: To the surviving spouse, a monthly pension of the greater of 54% of the firefighter's monthly salary or the pension which the firefighter was receiving at the time of death, and to the guardian of each minor child, 12% of such monthly salary for each child, until attainment of age 18.

Beginning July 1, 2004, the total monthly pension payable to the surviving spouse of a firefighter who died while receiving a retirement pension, including the amount payable on account of children, shall be no less than 100% of the monthly retirement pension that the deceased firefighter was receiving at the time of death.

Contributions By Firefighters

Firefighters are required to contribute 9.455% of their salary to the pension fund as a condition of participation in the pension fund.

Appendix 2

Glossary of Terms used in Report

1. Actuarial Present Value. The value of an amount or series of amounts payable at various times, determined as of a given date by the application of a particular set of actuarial assumptions.

2. Actuarial Cost Method or Funding Method. A procedure for determining the actuarial present value of pension plan benefits and for determining an actuarially equivalent allocation of such value to time periods. Usually in the form of a normal cost and an actuarial accrued liability.

3. Normal Cost. That portion of the actuarial present value of pension plan benefits, which is allocated to a valuation year by the actuarial cost method.

4. Actuarial Accrued Liability or Accrued Liability. That portion, as determined by a particular actuarial cost method, of the actuarial present value of pension benefits which is not provided for by future normal costs.

5. Actuarial Value of Assets. The value assigned by the actuary to the assets of the pension plan for purposes of an actuarial valuation.

6. Unfunded Actuarial Liability. The excess of the actuarial liability over the actuarial value of assets.

7. Entry Age Actuarial Cost Method. A method under which the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age. The portion of this actuarial present value allocated to a valuation year is called the normal cost. The portion of this actuarial present value not provided at a valuation date by the actuarial present value of future normal costs is called the actuarial liability.

8. Actuarial Assumptions. Assumptions as to future events affecting pension costs.

9. Actuarial Valuation. The determination, as of a valuation date, of the normal cost, actuarial liability, actuarial value of assets, and related actuarial present values for the pension plan.

10. Accrued Benefit or Accumulated Plan Benefits. The amount of an individual's benefit as of a specific date determined in accordance with the terms of a pension plan and based on compensation and service to that date.

11. Vested Benefits. Benefits that are not contingent on an employee's future service.

Statement of Investment Policy for the Champaign Firefighters' Pension Fund

Updated May 2011
(Replacing August 2010)

Updated by

MARQUETTE
ASSOCIATES, INC.
180 North LaSalle
Suite 3500
Chicago, IL 60601
312-527-5500

Statement of Investment Policy for the
Champaign Firefighters' Pension Fund

This document serves as the Statement of Investment Policy for the Champaign Firefighters' Pension Fund ("the Pension Fund"). This document is to be revised and updated periodically, as needed. The Pension Fund has been established by the City of Champaign, Illinois and is governed by the Statutes of the State of Illinois. It is a qualified tax-exempt trust designed to provide the Fund members and/or their spouses a pension benefit at the time of retirement or incurred disability.

Distinction of Responsibility

The Board of Trustees' Authority and Responsibilities

The Board of Trustees will conduct their responsibilities with the care, skill, and caution under the circumstances then prevailing which a prudent person acting in a like capacity and familiar with those matters would use in the conduct of an activity of like character and purpose. The Board of Trustees may delegate functions that a prudent entity acting in a like capacity and familiar with those matters could properly delegate under the circumstances. The Board of Trustees shall discharge their duties with respect to the Pension Fund solely in the interest of the Pension Fund.

The Board of Trustees will generally be responsible for the following:

1) Complying with applicable laws, regulations, and rulings.
2) Selecting all qualified investment professionals.
3) Monitoring and evaluating investment performance and compliance with this Policy.
4) Reviewing and suggesting changes, as needed, to this Policy.
5) Establishing and reviewing the appropriateness of the Pension Fund's asset allocation policy.
6) Taking action according to this Policy.

The Investment Manager's Authority and Responsibilities

The Board of Trustees will hire competent, registered professional Investment Managers to manage the assets of the Pension Fund. Investment Managers will conduct their responsibilities with the care, skill, and caution under the circumstances then prevailing which a prudent person acting in a like capacity and familiar with those matters would use in the conduct of an activity of like character and purpose. Investment Managers have the following responsibilities:

1) Vote proxy issues on securities held. All proxies will be voted exclusively for the best interests of the Pension Fund and their participants. Investment Managers will maintain written policies for proxy voting and keep a proper record of all proxies to which the Program is entitled. A written report will be provided annually.
2) Provide written reports to the Board of Trustees and the Investment Consultant on at least a quarterly basis detailing performance for the most recent period as well as the current outlook of the equity and fixed income markets.

3) Notify the client and the Investment Consultant on a timely basis of any significant changes in the ownership, organizational structure, investment strategy, portfolio design, or configuration of the investment team.

All qualified investment managers retained by the Board of Trustees will exercise discretion within the parameters set forth in these guidelines for the portfolio(s) they manage on behalf of the Pension Fund (see Addendum A).

The Investment Consultant's Authority and Responsibilities

The Board of Trustees may hire an Investment Consultant to assist the Board of Trustees in fulfilling their Fiduciary responsibilities and in fulfilling their responsibilities in accord with this Policy. The Investment Consultant will conduct their responsibilities with the care, skill, and caution under the circumstances then prevailing which a prudent person acting in a like capacity and familiar with those matters would use in the conduct of an activity of like character and purpose. The Investment Consultant will generally be responsible for the following:

1) Complying with applicable laws, regulations, and rulings.
2) Maintaining databases of qualified Investment Managers and Custodians.
3) If needed, the Investment Consultant will assist the Board of Trustees with the search and selection of Investment Managers and Custodians.
4) Calculate investment performance and reconcile that performance with the Investment Managers.
5) Providing written reports that summarize the performance and analysis of the Pension Fund's investments to the Board of Trustees no later than 45 days after of the end of each calendar quarter.
6) Monitoring and evaluating investment performance and compliance with this Policy. This includes meeting with the Pension Fund's Investment Managers on the Pension Fund on a regular basis.
7) Make long-term assumptions on the capital markets for the purpose of evaluating the Pension Fund's asset allocation policy.
8) Establishing and reviewing the appropriateness of the Pension Fund's asset allocation policy.
9) Reviewing and suggesting changes, as needed, to this Policy.

The Investment Consultant retained by the Board of Trustees will exercise discretion within the parameters set forth in these guidelines on behalf of the Fund (see Addendum A).

The Custodian's Authority and Responsibilities

The Board of Trustees will select a third party Custodian to safe-keep the assets of the Pension Fund. The Custodian will comply with all of the provisions of the Illinois Pension Code relating to Custody of Investments (40 ILCS 5/1-113.7). The Custodian will perform (but not limited to) the following:

1) hold and safeguard the assets of the Pension Fund,
2) collect the interest, dividends, distributions, redemptions or other amounts due,

3) provide monthly reporting to all necessary parties,
4) forward any proxies to the Investment Manager, the Board of Trustees, or their designee,
5) sweep all interest and dividend payments and any other un-invested cash into a short-term money market fund for redeployment, and
6) other duties as detailed in the respective custodial agreement

The Custodian retained by the Board of Trustees will exercise discretion within the parameters set forth in these guidelines on behalf of the Pension Fund (see Addendum A).

Investment Policy Asset Allocation

In establishing investment policy for the Pension Fund, the Trustees have considered the long-term nature of the asset pool as well as the needs and desires of the participants. In addition, the Trustees considered the risk and return characteristics of the various asset classes available to institutional investors and sought the guidance of outside consultants. The Trustees have established the target asset allocation and permissible percentage ranges shown in the table set forth below

Asset Class	Target	Minimum*	Maximum*
Int. Govt. Fixed Income	25.0%	20.0%	30.0%
Int. Govt/Credit Fixed Income	25.0%	20.0%	30.0%
Total Fixed Income	50.0%	45.0%	55.0%
Real Estate REITS	2.5%	0%	5.0%
Total Real Estate	2.5%	0%	5.0%
Large-Cap Core U.S. Equity	15.0%	10.0%	20.0%
Mid-Cap Core U.S. Equity	10.0%	5.0%	15.0%
Small-Cap Value U.S. Equity	10.0%	5.0%	15.0%
Total U.S. Equity	35.0%	30.0%	40.0%
Core International Equity	10.0%	5.0%	15.0%
Emerging Markets International Equity	2.5%	0.0%	5.0%
Total International Equity	12.5%	7.5%	17.5%
TOTAL	100.0%		

* May not add up to 100%.

Rebalancing

The Trustees will review the asset allocation of the Pension Fund at least quarterly and will adjust the portfolio to comply with the guidelines above as necessary. The Trustees anticipate that the on-going natural cash flow needs of the Pension Fund (contributions and withdrawals) will be sufficient to maintain the allocation of the Pension Fund within policy guidelines under most market conditions.

Investments and Redemptions

Redemptions: The Fund's Treasurer is authorized to redeem investments when cash is needed to meet the Fund obligations. Typically, redemptions will be made once per month. Such redemptions will be made from all investment types on a pro-rata basis.

Investments: The Fund's Treasurer is also authorized to invest cash in excess of the amount needed to meet the Fund's obligations, when the excess cash is $100,000 or greater. This includes investment of property tax receipts and other revenues. Such investments will be made so as to bring total investments in line with the investment policy guidelines, or if that is not possible, as close to the guidelines as possible given the amount funds to be invested. All other investments and redemptions must be authorized by the Board.

Fee Disclosure

All investment professionals contractually agree and shall provide, upon request, full disclosure of direct and indirect fees, commissions, penalties, and any other compensation that may be received by the investment adviser, including reimbursement for expenses (40 ILCS 5/1-113.5).

Investment Objective

The Pension Fund assets are to be managed in accordance with the applicable provisions of the Illinois Pension Code. The primary objectives of the Fund are to: (a) earn the highest possible total return consistent with levels of risk prudent to the cash flow requirements of the Fund, and (b) to create a stream of investment returns to insure the systematic and adequate funding of actuarially determined benefits through contributions and professional management of the Fund assets.

The performance objective for the Pension Fund is to exceed, after investment management fees, the actuarial assumed rate of return of 7.0% and a customized blended benchmark. To evaluate success, the Trustees will compare the performance of the Pension Fund to the actuarial assumed rate of return and the performance of a custom benchmark. This benchmark represents a historical passive implementation of the investment policy targets. The data for this benchmark will be re-balanced quarterly and consist of a weighted average of the investment policy targets, utilizing the appropriate quarterly performance of the market indices and weights of the indices as defined in the investment policy at the time of the performance measurement.

Diversification

The Trustees understand their responsibility to diversify the Pension Fund. By investing the Pension Fund's assets in multiple asset classes and using outside investment managers with well-diversified portfolios, diversification accomplishes its goal of insulating the portfolio from the effects of substantial losses in any single security or sector of the market.

Proxy Voting

The Trustees recognize that proxies are assets of the Pension Fund. The Trustees delegate the responsibility for voting proxies to each investment manager retained to manage the Pension Fund's assets. The Trustees will receive periodic reports from each investment

manager for separate or commingled accounts acknowledging that they have voted the proxies.

Portfolio Evaluation

The Pension Fund will be evaluated by an Independent Investment Consultant on a quarterly basis. Written reports will be provided to the Trustees no later than 45 days after the end of each calendar quarter. They will meet with the various investment managers and the Pension Fund on a regular basis to review manager and Fund investment performance, compliance with guidelines, and the asset allocation of the Fund. The investment managers shall also provide written reports to the plan sponsor and consultant on a quarterly basis detailing performance for the most recent period as well as the current outlook of the equity and fixed income markets. If needed, the Independent Investment Consultant will assist the Trustees with the selection of investment managers and custodians. Please see Addendum A for the current Independent Investment Consultant of the Pension Fund.

Investment Manager Evaluation Terminology

The following terminology has been devised to facilitate accurate communication between the Investment Manager, Investment Consultant, and the Plan Sponsor. Each term signifies a particular status with the Fund and any conditions which may require improvement. In each case, communication is made only after consultation with the Trustees of the Plan.

Status	Description
"In Compliance"	The investment manager is acting in full compliance with the Investment Policy Guidelines and is performing up to the expectations of the Fund.
"Alert"	The investment manager is notified of a difficulty in his/her performance (usually related to a benchmark, or volatility measure), change in investment characteristics or management style, or any other irregularities for the purpose of improving performance and investment discipline.
"On Notice"	The investment manager is notified of a concern with a continued problem in any of the above issues, which if not improved upon over a specific time frame (usually at least 2 quarters) will be cause for termination.
"Termination"	The Trustees have decided to terminate the manager, a letter has been sent on behalf of the Trustees and transition plans are in place.

Investment Manager Guidelines - Passive Intermediate Government Fixed Income Management

This document contains the guidelines and restrictions that apply to the passive intermediate government fixed income manager of the Pension Fund (see addendum A).

Permissible Fixed Income Investments

1. This fund is governed by the guidelines and restrictions contained in its prospectus or participation agreement and in accordance with Illinois Statutes.

Investment Objective

Over reasonable measurement periods (3 to 5 years), the portfolio's return net of fees should replicate or exceed the return of the appropriate benchmark index (see Addendum A).

Investment Manager Guidelines - Active Intermediate Government/Credit Fixed Income Management

This document contains the guidelines and restrictions that apply to the active intermediate government/credit fixed income manager of the Pension Fund (see addendum A).

1) The Investment Manager shall comply with all of the provisions of the Illinois Pension Code relating to Article 4 Pension Funds, specifically Sections 1-113.1, 1-113.2, 1-113.3, 1-113.4, and 1-113.4a relating to Permissible Investments (40 ILCS 5/1-113.1 et. seg.). In accord with the applicable portions of the Pension Code, above referenced, the investment manager may invest in the following fixed income securities:

   a) Interest bearing direct obligations of the United States of America.
   b) Interest bearing obligations to the extent that they are fully guaranteed or insured as to payment of principal and interest by the United States of America.
   c) Interest bearing bonds, notes, debentures, or other similar obligations of agencies of the United States of America. For the purposes of this Section, "agencies of the United States of America" includes: (i) the Federal National Mortgage Association and the Student Loan Marketing Association; (ii) federal land banks, federal intermediate credit banks, federal farm credit banks, and any other entity authorized to issue direct debt obligations of the United States of America under the Farm Credit Act of 1971 or amendments to that Act; (iii) federal home loan banks and the Federal Home Loan Mortgage Corporation; and (iv) any agency created by Act of Congress that is authorized to issue direct debt obligations of the United States of America.
   d) Interest bearing savings accounts or certificates of deposit, issued by federally chartered banks or savings and loan associations, to the extent that the deposits are insured by agencies or instrumentalities of the federal government.
   e) Investments in credit unions, to the extent that the investments are insured by agencies or instrumentalities of the federal government.
   f) Interest bearing bonds of the State of Illinois.
   g) Pooled interest bearing accounts managed by the Illinois Public Treasurer's Investment Pool in accordance with the Deposit of State Moneys Act, interest bearing funds or pooled accounts of the Illinois Metropolitan Investment Funds, and interest bearing funds or pooled accounts managed, operated, and administered by banks, subsidiaries of banks, or subsidiaries of bank holding companies in accordance with the laws of the State of Illinois.
   h) Interest bearing bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois.
   i) Money market mutual funds managed by investment companies that are registered under the federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies.(See Section 1-113.2(11) for restrictions)

2. Investment grade corporate bonds may be purchased. Corporate bonds must be managed through an investment advisor must meet all of the following requirements: (i)

the bonds must be rated as investment grade by one of the 2 largest rating services at the time of purchase; and (ii) if subsequently downgraded below investment grade, the bonds must be liquidated from the portfolio within 90 days after being downgraded by the manager.

3. No single security should comprise more that 5% of the portfolio's overall allocation after accounting for price appreciation. The only exception to this restriction would be a U.S. Government or U.S. Agency security.

4. The average duration of the portfolio is not to vary more than +/-25% of the duration of the appropriate index (see Addendum A).

5. The average quality of the overall portfolio may not be less than AA- rated.

6. The manager may invest up to 10% of its portfolio in cash or cash equivalents.

Investment Objective

Over reasonable measurement periods (3 to 5 years), the portfolio's return net of fees should exceed the return of the appropriate benchmark index (see Addendum A).

Investment Manager Guidelines - Passive Large-Cap Core U.S. Equity Management

This document contains the guidelines and restrictions that apply to the passive large-capitalization core U.S. equity manager of the Pension Fund (see addendum A).

Permissible Equity Investments

1. This Fund is governed by the guidelines and restrictions contained in its prospectuses or participation agreements and in accordance with the Illinois Statutes.

Investment Objective

Over reasonable measurement periods (3 to 5 years), the portfolio's return net of fees should replicate or exceed the return of the appropriate benchmark index (see Addendum A).

Investment Manager Guidelines - Passive Mid-Cap Core U.S. Equity Management

This document contains the guidelines and restrictions that apply to the passive mid-capitalization core U.S. equity manager of the Pension Fund (see addendum A).

Permissible Equity Investments

1. This Fund is governed by the guidelines and restrictions contained in its prospectuses or participation agreements and in accordance with the Illinois Statutes.

Investment Objective

Over reasonable measurement periods (3 to 5 years), the portfolio's return net of fees should replicate or exceed the return of the appropriate benchmark index (see Addendum A).

Investment Manager Guidelines – Active Small-Cap Value U.S. Equity Management

This document contains the guidelines and restrictions that apply to the small-capitalization value U.S. equity manager of the Pension Fund (see addendum A).

Permissible Equity Investments

1. The manager is expected to comply with all of the provisions of the Illinois Pension Code relating to Article 4 Pension Funds, specifically Sections 113.1, 113.2, 113.3, 113.4, and 113.4a relating to Permissible Investments (40 ILCS 5/1-113.1 et. Seg.). In accord with the applicable portions of the Pension Code, above referenced, the manager may invest in the following equity securities:

   a) The common stocks are listed on a national securities exchange or board of trade (as defined in the Federal Securities Exchange Act of 1934 and set forth in paragraph G of Section 3of the Illinois Securities Law of 1953) or quoted in the National Association of Securities Dealers Automated Quotation System National Market System.
   b) The securities are of a corporation created or existing under the laws of the United States or any state, district, or territory thereof and the corporation has been in existence for at least 5 years.
   c) The corporation has not been in arrears on payment of dividends on its preferred stock during the proceeding 5 years.
   d) The market value of stock in any one corporation does not exceed 5% of the cash and invested assets of the Pension Fund, and the investments in the stock of any one corporation does not exceed 5% of the total outstanding stock of the corporation.
   e) The straight preferred stocks or convertible preferred stocks are issued or guaranteed by a corporation whose common stock qualifies for investment by the Board.
   f) The issuer of the stocks has been subject to the requirement of Section 12 of the federal Securities Exchange Act of 1934 and has been current with the filing requirement of the Sections 13 and 14 of that Act during the proceeding 3 years.

2. The manager may invest up to 10% of its portfolio in cash or cash equivalents.

3. Private placements, venture capital, options, or financial futures may not be purchased. The purchase of securities on margin is prohibited.

4. Securities listed on pink sheets may not be purchased or held at any time within the portfolio.

5. No single security in the manager's portfolio will comprise more than 5% of its equity allocation at the time of purchase, nor will it be more than 10% of the equity allocation of the portfolio after accounting for price appreciation.

6. Exchange Traded Funds (ETF's) may be utilized during periods of time when significant cash flows (contributions or withdrawals) are incurred or expected within the

portfolio. ETF's are only to be utilized over very short periods of time. Only ETF's replicating either the Russell 2000 or Russell 2000 Value indices may be utilized.

7. All interest and dividend payments must be swept on a daily basis into a short-term money market fund for re-deployment.

Investment Objective

Over reasonable measurement periods (3 to 5 years), the portfolio's return net of fees should exceed the return of the appropriate benchmark index (see Addendum A).

Investment Manager Guidelines – Active Core International Equity Management

This document contains the guidelines and restrictions that apply to the active core international equity manager of the Pension Fund (see addendum A).

Permissible Equity Investments

1. This Fund is governed by the guidelines and restrictions contained in its prospectuses or participation agreements and in accordance with the Illinois Statutes.

Investment Objective

Over reasonable measurement periods (3 to 5 years), the portfolio's return net of fees should exceed the return of the appropriate benchmark index (see Addendum A).

Investment Manager Guidelines - Passive Emerging Markets International Equity Management

This document contains the guidelines and restrictions that apply to the passive emerging markets international equity manager of the Pension Fund (see addendum A).

Permissible Equity Investments

1. This Fund is governed by the guidelines and restrictions contained in its prospectuses or participation agreements and in accordance with the Illinois Statutes.

Investment Objective

Over reasonable measurement periods (3 to 5 years), the portfolio's return net of fees should replicate or exceed the return of the appropriate benchmark index (see Addendum A).

Investment Manager Guidelines – Passive Real Estate REITS Management

This document contains the guidelines and restrictions that apply to the passive real estate REITS manager of the Pension Fund (see addendum A).

Permissible Investments

1. This Fund is governed by the guidelines and restrictions contained in its prospectuses or participation agreements and in accordance with the Illinois Statutes.

Investment Objective

Over reasonable measurement periods (3 to 5 years), the portfolio's return net of fees should replicate or exceed the return of the appropriate benchmark index (see Addendum A).

Addendum A - Defining the Investments and Benchmark Indexes

Asset Class	Investment Manager	Benchmark Index
Int. Government Fixed Income	Northern Trust	BarCap Int. Government
Int. Govt/Credit Fixed Income	Mesirow	BarCap Int. Govt/Credit
Large-Cap Core U.S. Equity	MetLife	S&P 500
Mid-Cap Core U.S. Equity	Vanguard	S&P 400
Small-Cap Value U.S. Equity	Fiduciary Management	Russell 2000 Value
Core International Equity	Artio	MSCI EAFE
Emerging Markets International Equity	Vanguard	MSCI Emerging Markets
Real Estate REITS	Vanguard	NAREIT

Investment Professional	Service Provider
Custodian	PNC Bank
Investment Consultant	Marquette Associates, Inc.

Addendum B – Investment Professional Adoption of Policy

This Policy document was adopted by the Board of Trustees for the Champaign Firefighters' Pension Fund on September 29, 2011.

Investment Professional's Acknowledgments:
The firm has received this copy of the Pension Fund's Investment Policy. The firm has studied its' provisions and believe that we can both abide by its restrictions and fulfill its goals and expectations over the timetables set forth in the Policy. Additionally, the firm acknowledges that it is a Fiduciary in regards to the Pension Fund.

_____
Firm Name

_____
Investment Professional

_____
Date

Addendum C – Board of Trustees Adoption of Policy

This Policy document was adopted by the Board of Trustees for the Champaign Firefighters' Pension Fund on September 29, 2011.

Board of Trustees' Acknowledgments:
We have received this copy of the Fund's Investment Policy. We have studied its provisions and believe that we can both abide by its restrictions and fulfill its goals and expectations over the timetables set forth in the Policy.

_____	_____
Trustee	Date
_____	_____
Trustee	Date
_____	_____
Trustee	Date
_____	_____
Trustee	Date
_____	_____
Trustee	Date