



Urbana Police Pension Fund

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URBANA POLICE PENSION FUND

Board Minutes - Friday, January 23, 2015, 1:00 PM
City Building Conference Room-2nd Floor

Next Pension Meeting: April 24, 2015, 1:00 PM
City Building Conference Room – 2nd Floor

Present: Steve Royal, President (Term expires 5/31/16)
Dave Smysor, Secretary (Term expires 5/14/15)
Earl Hamilton, (Term expires 6/30/15-Mayoral Appointee)
Elizabeth Hannan, City Finance Director
Doug Pipkins, Assistant Secretary (Term expires 5/31/16)

Others

Present: Jim Dobrovolny, Attorney for the Board
Carla Tucker

Absent: Patrick Donnelly, Greystone Consulting, a division of Morgan Stanley
Ron Eldridge

The meeting was called to order at 1:05 PM by S. Royal. The Minutes from November 7, 2014 were reviewed and revised recommendation. Upon completion of the revision, (D. Maxey moved to public participation), motion by S. Royal to approve the Minutes, E. Hamilton seconded motion; motion carried.

Old Business:

Rules & Regulations: J. Dobrovolny stated with the Open Meetings Act, public participation time limitations need to be defined. Example: If 100 people showed up for the meeting, what time frame is allowed for them to speak? Time parameters need to be identified.

J. Dobrovolny also brought up allowing electronic participation at a meeting; and the need for it to be established for the Fund.

He previously sent the Board information regarding a draft on these topics, to include if a member is absent for business, illness, family emergency, emergency, etc., would they be able to participate electronically, would the Board allow you to participate and vote as if you were here?

J. Dobrovolny will forward information to the Board for the next meeting. Electronic attendance and Rules and Regulations regarding public participation will be added to the Agenda.

New Business:

Public Participation: None.

Officers Resignations:

- Dixie Brazelton (DOE 040413, Resigned 11/20/14)
D. Brazelton is now working for Champaign Police Department. She had less than 2 years of service.
Refunded contributions (check #16254, amount \$9,730.88. Dated 01-13-15, cashed 01-28-15).
- Bradley Fenton (DOE 04/03/14, Resigned 12/17/14).
Refunded contributions (check #16255, amount \$4,154.74. Mailed 01/13/15)
- Devin Miller (DOE 01/02/14, Resigned 12/17/14)
D. Miller is now working for the DeWitt County SO. He actually asked if he could roll over his contributions and D. Smysor called IMRF and inquired if he could do this, but he could not.
Refunded contributions (check #16253, amount \$5,474.78. Dated 01-13-15, cashed 01-21-15)
- Matt Mecum (DOE 07/28/05, Resigned 01/23/15)
M. Mecum moved to Colorado and is employed with the Grand Junction PD. He was vested and he requested to withdraw his pension contributions.

Motion by S. Royal to accept all 4 of the resignations, pay them for their contributions, as requested, S. Royal, motioned seconded by D. Smysor; motion carried and their information will be reflected at the next Board meeting.

- D. Maxey is waiting for the FOP Contract to get ratified, so his resignation will be some time in February; D. Smysor will keep the Board advised.

Illinois Department of Insurance: D. Smysor stated he received this morning, an e-mail notification from the DOI regarding the Fund's Field Compliance Exam. Information attachments were included and the documents are to be submitted within 2 weeks of this notification. E. Hannan was given a copy and she will coordinate the information with R. Eldridge and C. Tucker. The Investment Policy will be provided to

E. Hannan; she stated a copy of Treasurer's Surety bonds might be difficult to produce for past City employees: R. Eldridge, W. DeJarnette, and R. Hentschel, but she will look it over.

J. Dobrovolny stated the audit should be done every 3 years; their staff has been cut and it's been more than 3 years. S. Royal stated during the last audit, the DOI physically pulled everyone's files and went through them for birth certificates, marriage license, divorce, etc.

IPPFA Conference in October 2015: D. Smysor, S. Royal, D. Pipkins will be attending the conference. Inquiry if E. Hannan was interested in attending. She stated she will do the on-line ethics and hopes to fulfill her training from her attendance at the Government Finance Officers Association Conference (GFOA).

IPPAC Ethics Certification: D. Smysor stated there's a \$300 fee for training to get a new Board member trained through IPPAC (Illinois Public Pension Advisory Committee). E. Hannan stated she will look into this training, to see if there's a difference in paying the membership and if there's a reduced fee for the training. Motion by S. Royal to approve, for the Fund to pay, the in-person or on-line training required for E. Hannan, to meet her training requirements, seconded by D. Smysor. Motion carried w/ voice votes: D. Smysor (aye); D. Pipkins (aye), E. Hannan (aye), E. Hamilton (aye), and Steve Royal (aye).

Financial Report: P. Donnelly was unable to make the Board meeting, but provided financial information for the Board to review (for year ending 12/31/14), as well as a summary of what is going on w/ Thornburg in the International ADR portfolio, along with his recommendation. The Board reviewed and discussed this matter.

Since the Board discussed terminating Thornburg in the past, Motion by S. Royal, to proceed with terminating Thornburg, seconded by D. Smysor, motion passed unanimously.

D. Smysor made a Motion to divide funds from Thornburg, closing the account, and moving it to a 50/50 split w/ Vanguard FTSE Developed Market Index and Harding Loevner International. E. Hannan seconded motion. Voice vote: E. Hannan (yes), S. Royal (yes), D. Pipkins (yes), E. Hamilton (yes), D. Smysor (yes). Motion carried.

D. Smysor will relay this information to P. Donnelly.

Motion to receive and file the financial reports made by D. Smysor, S. Royal seconds, motion carried.

Fund's Investment Policy: Discussion on modifying the specific percent or target allocation, changing it to a range instead. This would be more in compliance of IDIO.

The Board is requesting P. Donnelly present a strikeout version of our current policy w/ a recommended proposal. D. Smysor will convey this to P. Donnelly for the next Board meeting.

Amendment to Pension Code – Contracts for Services: J. Dobrovolny advised the Board that there's been an amendment to the pension code: Article 1, Section 1-113.21 Contracts for Services and reviewed the amendment, which begins January 1, 2015 (attached).

J. Dobrovolny stated when the RFP for consulting/investing services with P. Donnelly's firm (Graystone Consulting) is done next time, this amendment is going to be a part of an RFP (every 5 years). J. Dobrovolny is not sure what the commitment to a private market /mutual fund is, as it does not seem prudent when making investment decisions. He further stated the Department of Insurance (DOI) will have some thought on this and he'll keep the Board informed.

The Fund reports its status of investments to the DOI and the City; the Board handles their business in terms of funding and handling the Fund.

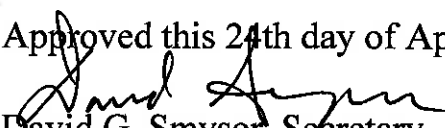
Office Name Change: J. Dobrovolny is now Reimer, Dobrovolny & Karlson, LLC; he now has some assistance w/ research.

News Gazette: J. Dobrovolny commented on the article regarding 20 benefited enhancements since 1993 between police and fire (Jim Nowlan, Sun, 01/18/15, The News-Gazette). Among other things, he did not mention in his article on how the City is saving money by not paying Social Security.

There being no further business before the Board, S. Royal made a motion to adjourn the meeting; all members stated 'aye' ; the meeting adjourned at 2:12 PM.

Respectfully,
Karen R. Snyder
Recording Secretary

Approved this 24th day of April, 2015.


David G. Smysor, Secretary

(40 ILCS 5/1-113.21)

Sec. 1-113.21. Contracts for services.

(a) Beginning January 1, 2015, no contract, oral or written, for investment services, consulting services, or commitment to a private market fund shall be awarded by a retirement system, pension fund, or investment board established under this Code unless the investment advisor, consultant, or private market fund first discloses:

(1) the number of its investment and senior staff and the percentage of its investment and senior staff who are (i) a minority person, (ii) a female, and (iii) a person with a disability; and

(2) the number of contracts, oral or written, for investment services, consulting services, and professional and artistic services that the investment advisor, consultant, or private market fund has with (i) a minority owned business, (ii) a female owned business, or (iii) a business owned by a person with a disability; and

(3) the number of contracts, oral or written, for investment services, consulting services, and professional and artistic services the investment advisor, consultant, or private market fund has with a business other than (i) a minority owned business, (ii) a female owned business or (iii) a business owned by a person with a disability, if more than 50% of services performed pursuant to the contract are performed by (i) a minority person, (ii) a female, and (iii) a person with a disability.

(b) The disclosures required by this Section shall be considered, within the bounds of financial and fiduciary prudence, prior to the awarding of a contract, oral or written, for investment services, consulting services, or commitment to a private market fund.

(c) For the purposes of this Section, the terms "minority person", "female", "person with a disability", "minority owned business", "female owned business", and "business owned by a person with a disability" have the same meaning as those terms have in the Business Enterprise for Minorities, Females, and Persons with Disabilities Act.

(d) For purposes of this Section, the term "private market fund" means any private equity fund, private equity fund of funds, venture capital fund, hedge fund, hedge fund of funds, real estate fund, or other investment vehicle that is not publicly traded.

(Source: P.A. 98-1022, eff. 1-1-15.)