



Urbana Police Pension Fund

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URBANA POLICE PENSION FUND

Board Minutes - Friday, April 24, 2015, 1:00 PM
City Building Conference Room-2nd Floor

Next Pension Meeting: July 31, 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)
Doug Pipkins, Assistant Secretary (Term expires 5/31/16)

Others

Present: Jim Dobrovoly, Attorney for the Board
Patrick Donnelly, Greystone Consulting, a division of Morgan Stanley
Ron Eldridge

Absent: Elizabeth Hannan, City Finance Director

President S. Royal called the meeting to order at 1:10 PM.

Old Business:

Minutes (01/23/15): Motion by S. Royal to accept the Minutes of 01/23/15. The motion carried unanimously.

Resignation:

- D. Maxey (DOE: 12/29/86, Retirement 02/24/15)
D. Maxey stayed long enough for the new FOP Contract to be ratified. He received his retroactive pay w/ the City.

Service time: 28 years, 1 month, entitling him to a pension of 70% of his final salary of \$78,250. His monthly initial pension is \$4,564.58, with February being prorated for 4 days = \$652.08. 1st raise is 3% on 3/1/16 and then 3% each January 1 thereafter.

Open Meetings Act:

- **Electronic Attendance**
J. Dobrovolny stated it's up to the Board to decide if three members have to be physically be present at the meeting to vote, should a Board member not be able to attend. This item is tabled for the next meeting, w/ J. Dobrovolny forwarding a draft of a policy recommendation regarding this.
- **Rules and Regulations – Public Participation**
This will also be tabled to the meeting in July.

Fund's Investment Policy: P. Donnelly discussed the investment policy being changed to allow the equity statement investment policy to be a little wider, allowing for a range for the Department of Insurance. Page 8 includes the statute and defined asset classes. P. Donnelly will provide the board with the policy at the July meeting. R. Eldridge inquired about equities and mutual funds, as a separate account, discussion regarding this.

P. Donnelly will have a policy revised and available for the July Board meeting.

New Business:

Public Participation: No one present.

Pensioner Election – D. Smysor (expires 05/14/15). J. Dobrovolny was directed to have an election for the active membership; mailing labels will be sent to him.

New Officers:

- **Jared D. Hurley (DOB 03/26/85, DOE 02/09/15).**
J. Hurley is from Kankakee County (IMRF); he has not previously been employed by an Article 3 Fund, so he would be a Tier 2 employee.
- **Matthew E. McElhoe (DOB 03/06/87, DOE 02/09/15)**
M. McElhoe is from Morton IL PD; he was previously employed by an IL Police Agency, covered under Article 3. He does have service credit that he would like to transfer; he would be under Tier 1.
- **Eric Millis (DOB 03/22/88, DOE 04/01/15).**
E. Millis is a lateral transfer from Vermilion Drug Unit via State Police. He is not an Article 3 Fund; he will be a Tier 2 hire.

D. Smysor does not have their medical information from Personnel. The Board will sign-off on their applications.

Pensioner Passing:

- Elmo Denniston (02/23/15): A former Pension Board member, E. Denniston, passed away. He has a surviving spouse; however, she is not entitled to a dependent pension, since they married after he retired.

City Funding Re: Corporate Personal Property Replacement Tax:

The City reduced the pension funding. The Board discussed the law and that it states any taxing district levied for another governmental body shall immediately pay over the personal property replacement funds; the City has not paid the Pension Fund. E. Hannan has not answered J. Dobrovolny's inquiry and they have a meeting regarding this. Six months have not been received; the interest is lost money to the Fund. This nonpayment is an unfunded liability, and creates a 6 month break from the City paying. Motion by the Board to direct J. Dobrovolny to work w/ R. Eldridge on a joint letter to be issued to E. Hannan, seconded by D. Smysor; motion carried unanimously.

Authorization for Audit FY 14-15: R. Eldridge stated the Fund paid the auditor \$4,500, for the Fund's audit last year. The proposal for the upcoming fiscal year is \$4,600. The Fund did not sign a contract w/ them; we'll evaluate them every year. Feller & Kuester is the auditing firm and motion by S. Royal to have Feller & Kuester CPA LLP (office in Champaign, IL) conduct the audit for the FY 14/15. Motion passed with aye votes from D. Smysor, E. Hamilton, and D. Pipkins.

Financial Report: R. Eldridge reviewed the Financial Report. He inquired if a pensioner is on a disability pension and they turned 65 last summer, does that become taxable after age 65? J. Dobrovolny is not sure about how the IRS conversion works.

Discussion: If an officer is on a disability pension and passes; when the pension is passed to the surviving widow, she would maintain that same tax status.

Motion by S. Royal that the Board accept the Financial Report; motion seconded by D. Smysor, motion carried.

House Bills Pending: J. Dobrovolny also brought to the attention to the Board some pending bills:

House Bill 812: Receiving pension PSD Director, receiving a pension;.

House Bill allowing municipalities to take bankruptcy;.

House Bill 3762 amends the pension code to provide that a municipality can change the terms of the plan.

Investment Presentation: P. Donnelly distributed and reviewed the Fund's performance.

Motion by S. Royal to rebalance the equities between the growth and value sectors funds. To accomplish this: moving \$200,000 from the Vanguard Growth Fund to \$200,000 to the Vanguard Value Index Fund.

Voice vote: E. Hamilton (yes), D. Pipkins (yes), D. Smysor (yes), and S. Royal (yes).

Motion by S. Royal to move: \$200,000 from the International Equities account to Harding Loevner International Mutual Fund.

Voice vote: E. Hamilton (yes), D. Smysor (yes), D. Pipkins (yes), and S. Royal (yes).

Motion by S. Royal to move \$100,000 from the Emerging Market account to the VanGuard Emerging Markets ETF Index \$100,000; motion seconded by D. Smysor.

Voice vote: E. Hamilton (yes), D. Pipkins (yes), D. Smysor (yes), and S. Royal (yes).

Board Thank: E. Hamilton: A special 'Thank You' to Earl Hamilton for his service to the Pension Board; his service & commitment to the Fund is much appreciated.

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 2:52 PM.

Respectfully submitted,
Karen R. Snyder
Recording Secretary

Approved this 23rd day of October, 2015.


David G. Smysor, Secretary