



Urbana Police Pension Fund

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URBANA POLICE PENSION FUND

Friday, April 25, 2014, @ 1:00 PM.

**** Next Board Meeting: Thursday, July 17, 2014, @ 1:00 PM ****
**** City Building - Police Conference Room ****

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

Others

Present: Jim Dobrovolny, Attorney for the Board
Patrick Donnelly, Morgan Stanley Smith/Barney
Ron Eldridge

Member

Absent: Rich Hentschel, Treasurer, Mayoral Appointment (Term expires 12/15)

The meeting was called to order at 1:05 PM by S. Royal. There were some changes to the Minutes of 01/24/14: (Duties of Treasurer – delete sentence per J. Dobrovolny); page 3 was modified. Motion by S. Royal to approve the Minutes, as amended; D. Smysor seconded the motion, followed by a voice vote carried the motion.

Old Business:

Pensioner Confirmation Letters: D. Smysor stated there are three letters outstanding. He has talked to C. Tucker about three individuals that want their pension sent USPS.

Pensioner Annual Checks – Woodlake: D. Smysor stated if everyone is comfortable, he'll contact Woodlake to set-up the physicals for those duty disability

pensioners under 50 years of age (D. Winn, A. Carpenter, & S. Scharf). D. Smysor will report at the next meeting.

New Officers: Christopher J. Whelchel (DOE 010214, DOB 011087)
Devin J. Miller (DOE 010214, DOB 102789)

D. Smysor reviewed their physicals and there was nothing to report. Motion by D. Smysor to acknowledge receipt and filing of their physicals; S. Royal seconded motion, motion carried (E. Hamilton – aye, D. Pipkins –aye).

New Business:

Public Participation: None.

Pension Changes: S. Royal inquired w/ J. Dobrovolny about possible changes in Springfield. J. Dobrovolny stated there's mixed signals on updated legislation, court cases in Springfield & Champaign County, problems w/ other Funds & consolidation w/ IMRF (IMRF does not want to take over the Pension Fund). Nothing concrete, but he'll keep the Board advised.

Qualified Plan Status Payment: The Board discussed the advantages of paying into this Plan for the Fund. IPPFA, in conjunction w/ other organizations, fills out appropriate paperwork w/ the IRS and requests \$300 from every Fund to help pay for expenses. J. Dobrovolny stated every 5 years you have to get a new qualified plan w/ the Department of Insurance. A Qualified Plan Status is negotiated w/ the IRS. There are a couple of issues they are running into w/ some communities of an individual retiring and then the retired person gets hired back by the City. Only one letter that covers Articles 3&4 does put all the pension plans in jeopardy because of this one municipality. However, there are probably 100 different communities that have this type of set-up in a civilian capacity.

J. Dobrovolny urges the Board to join the Plan. Motion by D. Smysor to pay \$300 for the fees involved in the Qualified Fund Plan. A voice vote was called: E. Hamilton (yes), S. Royal (yes), D. Pipkins (yes). Motion carried.
(This is paid to the Coalition of Qualified Plan Status)

New Officers: Marcus Hancock (DOE 040314, DOB 100789)
Bradley T. Fenton (DOE 040314, DOB 030587)

D. Smysor reviewed their physicals for the Board, stating there are no medical limitations for these officers. Both of them will be tier 2, as they have no prior police experience. Motion by D. Smysor to receive, file, and accept Hancock & Fenton in

the Fund, motion was seconded by S. Royal. Motion carried with votes from D. Pipkins (aye), and E. Hamilton (aye). D. Smysor inquired if R. Hentschel has to sign the forms also. J. Dobrovolny stated he's not present for the meeting and he's not required to sign them, as there was a quorum.

Increase the Salary of Accountant: Recommendation by R. Eldridge to increase C. Tucker's salary, as she's had to spend more personal time than her predecessor, sending out letters, stamps, copies, scanning documents for R. Eldridge, etc. He stated he feels it is appropriate to bump her pay to \$50/month (from \$250 to \$300). D. Smysor stated she does a lot of work for the Board; it's not outside the realm, nor is the recommendation excessive. Motion by D. Smysor to increase C. Tucker's pay from \$250 to \$300/month; motion was seconded by S. Royal. Voice vote of D. Pipkins (aye), E. Hamilton (aye) carried the motion.

Pension Fund Audit (Year End 6/30/14): R. Eldridge stated he believes the Police and Fire Pension Funds should engage their own audit and financial report for June 30. This is nothing different than what's been done in the past. The City is doing their own proposal; Fire and Police would be about 1 of the 20 being requested. By obtaining our own auditor, we would ask our auditor to cooperate w/ the City's auditor. He stated the Board needs to control this, rather than the City because of the timing of the report. The past auditor got our report done in one month, so it can be filed w/ the Department of Insurance (who wants their report by the end of September). These figures can then be forwarded to our actuary, who will then compute the tax levy so the City can get their levy done in November. He stated timing is critical. R. Eldridge stated these firms need to make sure they have someone available to do the audit, so they need a leeway to make sure they have the people to get this done.

R. Eldridge stated he can assist in getting this accomplished w/ a contract. J. Dobrovolny stated UFD has met and the President and Secretary and they are going to retain their own auditor. R. Eldridge will work with D. Smysor and send out RFP's for purposes of an annual audit that's required by Statute. They'll do the proposals and send it to 3-4 of the firms.

Motion was made by D. Smysor to send out the RFPs for accounting services for the purpose of an annual audit, required by statute, was made; motion was seconded by S. Royal. Motion passed w/ aye votes from D. Pipkins and E. Hamilton.

Financial Report: The quarter ended March 31, 2014. R. Eldridge reviewed the investment listing and cash of the Fund, the financial activity for the quarter, and the payments made by the Fund for each month. Motion by D. Smysor to receive and

file the Quarterly Financial Report; the motion was seconded by S. Royal, motion carried.

Appointment Dates for the Police Pension Board for Retiree and Active Membership: With term dates ending for Board members, S. Royal directed J. Dobrovolny to start the election process for the expiring terms.

J. Dobrovolny stated, "The treasurer's duties are all money received or collected shall be credited by the treasurer of the municipality to the account of pension fund and held by the treasurer of the municipality, subject to the order and control of the Board. The treasurer of the municipality shall maintain a record of all money received, transferred, and held for the account of the board". He further stated that this does not suggest that all money we receive should go through the treasurer, to be deposited (ie investments), but it does address the expenditure side of the Fund.

Investment Presentation: P. Donnelly went over his presentation for the Board.

In addition, emerging market managers were presented, to include Harding Loevner, Causeway, Virtus, and Invesco (Causeway was ruled out due to their high basis points). After researching, Morgan Stanley recommends Harding Loevner and Virtus.

Motion by D. Smysor to move \$400,000 from our domestic asset managers to:

- \$200,000 to Core Developed International Fund to be invested in the VEA Vanguard ETF;
- \$200,000 to Emerging Markets
 - \$100,000 Virtus EM
 - \$100,000 Harding Loevner EM

Motion was seconded by S. Royal, and motion carried w/ D. Pipkins (aye) and E. Hamilton (aye).

At the next Board meeting, P. Donnelly will review the new fee schedule, which will be a decrease in fees. The cost schedule, per manager, will be forthcoming, as well.

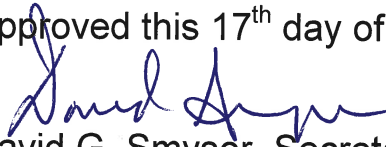
No further business was before the Board, so the meeting adjourned at 3 PM.

Respectfully submitted,

Karen R. Snyder

Recording Secretary

Approved this 17th day of July, 2014.



David G. Smysor, Secretary