



Urbana Police Pension Fund

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URBANA POLICE PENSION FUND

Board Minutes - Friday, November 1, 2019
City Building Conference Room-2nd Floor

Next Pension Meeting: Friday, January 31, 2020, 1 PM
City Building Conference Room – 2nd Floor

Present: Steve Royal, President (Term expires 5/31/20)
Dave Smysor, Secretary (Term expires 5/31/21)
Doug Pipkins, Assistant Secretary (Term expires 5/31/20)
Elizabeth Hannan, City Finance Director (Term expires 5/31/19)
Shaennon Clark (Term expires 05/31/20)

Others

Present: Jim Dobrovolny, Reimer, Dobrovolny & Karlson, LLC.
Patrick Donnelly, Greystone Consulting, a division of Morgan Stanley
Ron Eldridge
Carla Tucker

S. Royal called the meeting to order at 1:08 PM.

Old Business:

Minutes (07/26/19): Motion to approve the Minutes by S. Royal, D. Smysor seconds motion, motion passed.

Investment Consultant RFP: E. Hannan stated everything is ready to go. In the Fire Pension, they discussed consultant v. advisor; their recommendation is to wait to see if the consolidation bill goes through; if the bill goes through, there is nothing to discuss. They will keep the information they have gathered.

Pension Board:

- E. Hannan-Appointment by Mayor

Military Time / Pension Contributions:

Officer Tony Meneely owes 35 days due to his military time. He is allowed to catch-up on his contributions; D. Smysor will follow-up with him in a letter. There is not a deadline for his pay back of funds, as long as it's done by the time he retires.

Officer Jennifer Difanis has 45 days less credit and she is not eligible to buy back this time.

Plans for Payroll Administration/Draft Agreement with City: E. Hannan stated there is a plan for C. Tucker to be a ¼ Finance Department employee, effective 7/1 (C. Tucker retires 6/30). By being a Finance employee, she can work on the payroll system, with the Fund maintaining a separate accounting fund in the City's ledger. Vendor payments are few from the Fund and can be discussed later.

E. Hannan stated the trade-off in expenses would be for the Police & Fire pension to pay for their own audit and actuarial fees (with the Funds selecting their actuarial).

E. Hannan stated the City prefers their own auditor, one that is familiar w/ municipalities. She stated this is a duplication of work; discussion of the Board using the City's auditor.

J. Dobrovolny and another Board member review the Agreement.

Police Pension Administrative Rules: E. Hannan tabled for the next meeting.

New Business:

Public Participation: None

Secretary Salary: D. Smysor communicated to the Board that he would like his monthly salary from the Fund to cease; he stated the responsibilities have lessened or shifted; the position is not requiring a lot of his time and this will help to keep costs down. D. Smysor requested he be removed from payroll immediately.

Officer Retirement:

- Deputy Chief Robert Fitzgerald (DOE: 01/29/1998-09/27/2019). R. Fitzgerald retired 9/27/19 as Assistant Chief of Police. His date of hire is 8/29/92 (5 years & 5 months were transferred from his Chicago pension). Total service is 27 years (67.5% multiplied by final salary \$132,933.20 = \$7,477.49 with first raise of 3% in 9/20).

Inquiry if additional funds were received from Chicago PD Pension Fund; response is NO additional funds were received.

Disability Pension Hearing: Ofc. Michael L. Hediger (DOE: 10/09/1997). The Fund has received three reports from physicians for M. Hediger, who has applied for a duty disability; his Hearing will be scheduled as soon as schedules allow.

(Hearing Date: February 10, 2020, 10 AM, City Building Executive Conference Room)

New Officer:

- Kamden Kaufman (DOE 091219). K. Kaufman is a Tier 2 employee, currently in PTI. His application will be at the January 31, 2020 meeting for the Board.

Changes to the Investment Policy: No changes.

Financial Report: R. Eldridge reviewed the Financial Report (July 1-Sept 30); the Fund will need additional cash \$700,000 in December and another \$600,000, including changes in pensioners, raises, benefit changes of 3% increase January 1, 2020 (unless they are NOT age 55). He reviewed the schedule of raises for pensioners. *The Actuary caught an error regarding D. Haig; his increase was supposed to occur 1/1/2019; a back-pay check was sent to him for \$533, which includes interest.*

R. Eldridge stated he received the Actuary Report, he calculated the City owes is \$2,472,391 (last year their recommendation was \$2,258,867); J. Dobrovlny recommends the Board ask the City for the \$2,472,391.

The City is paying the funding level of \$1,840,000 (per the Transition Plan-a 20 year Plan in which the City will be paying 100%).

Motion by D. Smysor that the Board approve and accept the Financial Report including the schedule of raises effective January 1, 2020, in addition to accepting the Actuary Report requesting \$2,472,391 levied for the Police Pension Fund.
Motion Seconded by S. Royal

[Voice vote: S. Clark-yes, E. Hannan-yes, D. Smysor-yes; D. Pipkins-yes, S. Royal-yes, motion carried.]

Deceased Monitoring Program: D. Smysor stated at the IPPFA Conferences, he became aware of a Deceased Payee Monitoring program, which is free of charge. The Fund has been sending on letters to pensioners. Lauterbach offers this as a

service to members of the IPPFA (we send them a list of our retirees), they would search databases for death certificates, versus the Fund sending annual letters. Discussion regarding permission, confidentiality. The Pension Fund decided that C. Tucker will take care of sending letters, as directed by the Board.

Investment Presentation: P. Donnelly reviewed the Fund's performance, year-to-date.

To meet expenses, Motion by E Hannan, to withdraw \$350,000 from Garcia Hamilton and \$350,000 from VanGuard Growth ETF; motion seconded by D. Smysor.

Voice vote: S. Clark-Yes, E. Hannan-Yes, D. Pipkins-Yes, D. Smysor-Yes, S. Royal-Yes; motion carried.

Motion by S. Royal to direct P. Donnelly to convert our Van Guard ETFs and transfer the funds to VanGuard capital shares in the same category; motion seconded by E. Hannan.

Voice vote: S. Clark-Yes, E. Hannan-Yes, D. Smysor-Yes, D. Pipkins-Yes, S. Royal-Yes; motion carried.

Motion by D. Smysor directing P. Donnelly liquidate the Van Guard VEA ETF fund, move equally to the mutual funds Harding Loevner, Oakmark, and John Hancock International (33.3% evenly split w/ those managers); motion seconded by S. Royal.

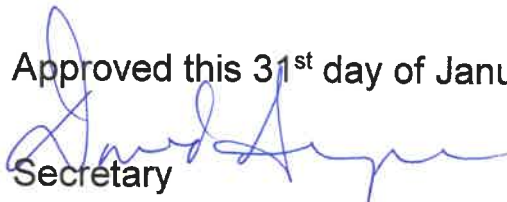
Voice vote: E. Hannan-yes, D. Smysor-Yes, D. Pipkins-Yes, S. Clark-Yes, S. Royal-Yes; motion carried.

Motion by E. Hannan for P. Donnelly to sell the Van Guard emerging markets ETF and split the money (50/50) with Harding Loevner and Vertis emerging markets, motion seconded by D. Smysor.

Voice vote: E. Hannan-yes, D. Smysor-Yes, D. Pipkins-Yes, S. Clark-Yes, S. Royal-Yes; motion carried.

S. Royal adjourned the meeting at 3 PM.

Respectfully submitted,
Karen Snyder
Recording Secretary

Approved this 31st day of January 2020.

Secretary