



Urbana Police Pension Fund

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URBANA POLICE PENSION FUND

Board Minutes - Friday, April 22, 2016, 1 PM
City Building Conference Room-2nd Floor

Next Pension Meeting: Friday, July 29, 2016, 1:00 PM
City Building Conference Room – 2nd Floor

Present: Steve Royal, President (Term expires 5/31/16)
Doug Pipkins, Assistant Secretary (Term expires 5/31/16)
Elizabeth Hannan, City Finance Director

Present: Jim Dobrovolny, Board Attorney (Reimer, Dobrovolny & Karlson, LLC)
Patrick Donnelly, Greystone Consulting, a division of Morgan Stanley
Ron Eldridge

Others

Absent: Dave Smysor, Secretary (Term expires 5/14/17)

The meeting was called to order by S. Royal at 1:07 PM, on April 22, 2016.

Old Business:

Motion by S. Royal to approve the minutes from October 23, 2015, motion carried.
With no quorum for the quarterly meeting on January 22, 2016 meeting, no action was taken by the Board.

New Business:

Public Participation: There was no public participation.

New Officers:

- Kenneth D. Sprague (DOE 01/06/16, DOB 01/08/78)
- Jessica L. Alvarez (DOE 01/06/16, DOB 11/08/84)

- Joseph P. Cassidy (DOE 01/06/16, DOB 01/14/88)

S. Royal stated the new officers are all Tier 2 officers; no physicals were available at the Board meeting. Motion by S. Royal to approve K. Sprague (motion carried), J. Alvarez (motion carried), and J. Cassidy (motion carried). Applications for the Fund were signed by Board members.

Matthew E. McElhoe – Tier 2: In the Minutes of April 24, 2015, Matt McElhoe was listed as a Tier 1, but he's actually a Tier 2 Officer (he has no Tier 1 time). Motion by S. Royal that M. McElhoe is officially a Tier 2 officer; motion seconded by D. Pipkins; motion carried.

Oscar Gamble's Pension Hearing Decision: O. Gamble was awarded a non-duty disability by the Pension Board. R. Eldridge advised his monthly payment is \$3,203.63; his pension hearing was on December 16, 2015, and his payments were retroactive to 07/9/2015.

Dean Hazen Disability Pension: Discussion w/ J. Dobrovolny regarding the status of the documents.

Appointments by Board:

- Actuary for Fire & Police Pensions
R. Eldridge contacted the two firms referred by IPPFA, Foster & Foster, and Lauterbach & Amen. E. Hannan made a motion to hire Lauterbach, seconded by S. Royal, motion carried.
- Appointment of Audit Firm
The CPA firm the Fund used last year was Feller & Kuester, CPA. Discussion regarding CPA Neal Kuester to conduct the audit for this year and three additional years. Motion by E. Hannan to retain this firm for services of \$4,250 for FY 2016. Services shall continue for an additional three years with a 3% price increase each year, seconded by S. Royal. (Voice vote: E. Hannan (yes), S. Royal (yes), and D. Pipkins (yes).

(This amount is for the Police Pension only; the Fire Pension Fund is also using this CPA firm.)

Department of Insurance: Pensioner Adjustments: The Department of Insurance went over every pensioner's file and noted three adjustments in which the Fund was underpaying slightly, which had to do with when a pensioner turns 55 years old, they receive a .25% for each month they've been retired. Following are the adjustments:

<u>Pensioner</u>	<u>Monthly Amount</u>	<u>New Monthly Amount</u>	<u>Back-Pay w/ Interest</u>
Michael Cooper	\$4,428	\$4,438	\$368
Kent Jepsen	\$5,031	\$5,042	\$258
Susan Schwartz	\$3,050	\$3,057	\$948 (since 2006)

C. Tucker was directed to send the Back-Pay checks w/ interest to the above-referenced pensioners and the new monthly amount should be used in future pension disbursements. Motion by E. Hannan to approve the adjustment made by the DOI, including back-pay. Voice vote: E. Hannan (yes), S. Royal (yes), D. Pipkins (yes); motion carried.

R. Eldridge stated there was some question by the Department of Insurance regarding T. Costa and P. Scott's payments, but R. Eldridge will forward to the Dofl the information requested.

Board Election: J. Dobrovolny will proceed with an election of active and retired pensioners, for the following positions:

Pensioner Term – Steve Royal (Expires 5/31/16)
Active Term – Doug Pipkins (Expires 5/31/16).

Reports by R. Eldridge: R. Eldridge distributed and reviewed the Quarterly Report (ending 3/31/16). He stated we are in accordance w/ the law; he reviewed the cash available. Motion by S. Royal to approve this Quarterly Report; voice vote: S. Royal (yes), E. Hannan (yes), and D. Pipkins (yes). Motion carried.

Illinois Legislation: J. Dobrovolny discussed Senate Bill 3317, which consolidates all your money and turns it over to the Illinois Board State for investment. Two studies have been done, but the numbers don't pan out for consolidation (costs associated w/ the turnover and getting it done is huge and will take about 20 plus years to utilize and benefit; by then, everyone will be Tier 2).

UPD has pure portability, but the firefighters do NOT have pure portability.

Investment Presentation: P. Donnelly reviewed the economy and performance of the Fund.

P. Donnelly made a recommendation to reallocate the Fund's portfolio. Based on his recommendation, a Motion by S. Royal to:

- Terminate the Newberger Berman Fund (approximately \$802,000) with the following transfers (approximate amounts):
 - \$200,000 to Clearbridge
 - \$300,000 International Equities-VanGuard
 - \$150,000 Harding Loevner International Equity Fund
 - \$150,000 William Blair International Growth Fund

Discussion by Board: Securities would be sold and there would be no transaction costs. Selling while the Fund is up, there's no transaction or changing cost. Monies will be invested in international, no transaction/changing cost to move over there. Motion passed with a Roll call: E. Hannan (yes), S. Royal (yes), D. Pipkins (yes).

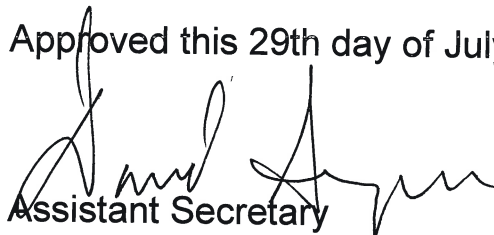
Motion by S. Royal, for the Board pre-authorize, if needed, for R. Eldridge to withdraw up to \$200,000 for the Fund's expenses from Patrick Donnelly to get us through the beginning of the next tax cycle. Roll call vote: E. Hannan (yes), D. Pipkins (yes), and S. Royal (yes).

There being no further business before the Board, the meeting was adjourned at 2:20 PM.

Respectfully submitted,

Karen Snyder
Recording Secretary

Approved this 29th day of July, 2016.


Assistant Secretary