

URBANA POLICE PENSION FUND

308 SOUTH VINE STREET
URBANA, ILLINOIS 61801



URBANA POLICE PENSION FUND

Present: Elmo Denniston, President
Jim Wuersch, Secretary
Steve Royal, Assistant Secretary
Melvin Schwartz
Jim Dobrovolny, Attorney for Pension Fund
Ron Eldridge, Comptroller
Dennis Belcher, Shearson Lehman Hutton
John Kelly, Shearson Lehman Hutton

The meeting was called to order at 8:40 a.m., on March 5, 1991.

Financial Report: Dennis Belcher discussed the quarterly monitor on Madison. On April 1990, the fund had \$2.5 million and at end of year it grew to \$2.7 million, for a total gain, since inception, of \$188,000. At the end of year it was at \$2.736 million and as of February 1991, it is valued at \$2,784,871. This reflects a very good performance in final quarter; and the performance has continued on. The net dollar gain is \$133,000, 5.14% return in the quarter v. an index of 5.52%; the previous quarter is a 6.1% return.

Madison's comments are that they feel that interest rates may fall, but not a great deal; they are looking to take profits mid-year; and they may sell ginnie mays that they are still holding to a 3-4 year maturity. In March they sold \$150,00 in treasury bills.

D. Belcher distributed Madison's portfolio; discussed ensued on treasury bonds and zero coupon bonds. They are anticipating to sell zero coupon bonds, bonds due mid-year, and bonds due in the year 2000. D. Belcher stated that they are thinking that when interest rates fall, you want to have long-term bonds; when interest rates subside, you want to go back into short term securities.

Ron Eldridge inquired about the return from inception and indexes; D. Belcher will provide this information at the next meeting.

CIMG: Their investment performance has been good also, total contributions of \$2.5 million; they are within \$1,000 of what we put contributions in Madison. Their net gain \$145,000, less than Madison, because CIMG did not catch the interest rate rally as they would have liked. In December, the portfolio was at \$2.695 million; and at the end of January \$2,702,257. There has been further appreciation in the portfolio just during the month of January of 2.52%, which is not as good as Madison, but they had a higher return in the third quarter of last year of 2.02%. Their returns are somewhat under Madison and there has been more activity in this account. They bought bonds in at the end of January and sold them in February and took a \$3,700 gain, in addition to the interest that was accrued over that holding month period. Discussed their bond purchasing.

Both managers are saying the same thing: that they have had the greatest portion of the appreciation of bonds, the question comes when to take the profits. Both accounts have had the portion of catching the relatively large change in interest rates; that is how the managers are adding value for the accounts. This is the first stage.

Local Investments: All CD holdings, by issuer, was distributed by D. Belcher. There is \$200,000 in Champaign National at 7.07%, rated between B-C; they are solid. R. Eldridge doesn't recommend doing anything on the CD.

Champion Federal is holding their own, our CD w/ them is \$6,000; R. Eldridge doesn't recommend purchasing additionally; and they are looking to consolidate; the small amount is okay, would not recommend further purchasing.

CitiBank shows strong capital assets, R. Eldridge isn't sure if he would purchase additionally, but would not recommend getting rid of the CD.

Discussed Columbia Savings and Loan and City Federal Savings. City Federal was purchased through AG Edwards, was paid out early because the institution was taking a liquidation.

Mutual Home is strong, rated a B; R. Eldridge would not recommend further purchasing.

Discussed the list of CDs by maturity date.

Operating funds reported by J. Wuersch is \$56,000. Tax levy of around \$33,000 would be received around June 1.

Busey Checking Account. Our Busey checking account is now in the higher paying interest account; they offered to extend the same interest rate as the City is getting, which is a 30 day treasury rate. Thirty day treasury rates are quoted by The Wall Street Journal. D. Belcher stated that the 30 day treasuries aren't in

excess of 5.5%. R. Eldridge stated that, at this point, they are not higher, but generally they are going to be; typically they have been up 2.5%. If it falls below the savings rate, R. Eldridge is sure they would give the savings rate; he will check with Busey to insure this.

Stocks. In January we were anticipating passage of the law; however, the Dept. of Insurance lobbyists successfully managed to use a flaw in past business dealings to shoot the bill down. Terry Park, on the Pension Committee, went over some of the problems of the passage of the law, D. Belcher met with him in February again and rewrote some of the earlier drafts to have a clean bill. He gave it to Representative Park; and hopefully, he will use it. Freshman Representative Jeff Overzitz, from the Chicago area has 14 pension boards in his district and is having a meeting on March 11th, attempting to take their input and put it into another bill. D. Belcher doesn't know when it will happen. The next potential passage date may be June; the deadline for introducing a bill is April 14th.

Department of Insurance: The Dept. of Insurance has sent out 2 dozen citation letters, in which Urbana got one. Our letter was in reference to our last audit re: contributions on A. Johnston; however, those contributions were made up and a letter from R. Eldridge was sent to the Dept of Insurance regarding confirmation of payment. We were not cited for having an investment manager; the law is very clear and gives the Board the authority to hire fund managers, but not stock managers.

Other Options of Investment: Legal Separate Accounts: Legal separate accounts were discussed. The Guardian Park Avenue Fund, a growth fund, is a publicly traded mutual fund; it has been around 15-20 years. It is one of the best mutual funds around. The 10 year chart indicates that it has an exemplary track record; Hartford has significantly lagged the S&P. Hartford goes down when the market goes down; when the market goes up, it doesn't go up as much as the market. D. Belcher discouraged investing in the Hartford.

D. Belcher stated that when reviewing funds over years, you have to take into consideration of what took place during that period of time. The past three years has been a poor period for the stock market. R. Eldridge questioned the guardianship of Hartford. D. Belcher stated that the Hartford is designed for the institutional market; it costs you 2% to buy it; the annual expenses is 1% to run the account. The problem with the Hartford is the poor performance. Guardian Park Avenue has a 5% charge on any fund withdrawn anytime in the first six years; the problem with their fund is it's easy to get into and hard to get out of. D. Belcher questioned if they got into it and the law changed, they should have the ability to go where they should be. The other thing that is important is the annual expenses of 1.75%. Guardian Park Avenue has a long, good track record with a fair structure. The problem is if D. Belcher demands that the fund be

up and running for 5 years, but would like to have 10, he finds very few that can meet that test. Guardian has a sterling track record, but a level of charges that isn't appropriate. Hartford has no performance; however, D. Belcher feels comfortable with them. R. Eldridge questioned why we would be looking to buy an investment like this when the volatility might be there and we might want to sell it and it might not be the ideal time. Questioned why Belcher would recommend this; Belcher stated that we ought to be buying stocks but hasn't found anything yet that he could wholeheartedly recommend.

There being no further items before the Board, the meeting adjourned at 9:55 a.m.

Respectfully submitted,

Karen R. Snyder
Karen R. Snyder

Approved:

Jim J. Wuersch
Jim J. Wuersch

3-28-91
Date

URBANA POLICE PENSION FUND

308 SOUTH VINE STREET
URBANA, ILLINOIS 61801



URBANA POLICE PENSION FUND DISABILITY HEARING

Present: Elmo Denniston, President
Jim Wuersch, Secretary
Steve Royal, Assistant Secretary
Melvin Schwartz
Marla Becker
Jim Dobrovolny, Attorney for Pension Fund
William Curry
Dan Walsh, Attorney for William Curry
Russell Brown, Assistant Chief
Kent Jepsen, Sgt.
Duane Maxey, Police Officer

Elmo Denniston called the special hearing to order on the application for disability benefits for Lt. William Curry at 10:07 a.m., on March 5, 1991.

Witnesses were called first to expedite matters:

Ofc. Duane Maxey: Ofc. Maxey was sworn in by J. Dobrovolny; he has been an officer for Urbana Police for four years. As a Police Officer, he worked with Lt. Curry for all four years. He was asked if he noticed anything peculiar, unusual about Lt. Curry's legs or knees. Ofc. Maxey stated that he noticed his legs had gotten worse. He had noticed that Lt. Curry would stop mid-flight, when climbing the stairs in the station, because of the pain; D. Maxey noticed the anguish on his face. He stated that within the last few years or so, he has noticed that his condition has become worse and has noticed that Lt. Curry complained more than before about his knees. Another occasion D. Maxey noticed the pain was during the Department's physical fitness test, about two years ago; he knew prior to that that it would be difficult and he complained of the pain.

D. Maxey stated that he feels that Lt. Curry is not an individual that complains and he is genuine about the pain in his knees. He has noticed his facial expressions that occur when Lt. Curry climbs the stairs or while running.

Sgt. Kent Jepsen: Sgt. Jepsen was sworn in by J. Dobrovolny. He was a Police Officer and is now a Sgt. with Urbana Police. In the last 7 1/2 years he has had occasion to work with Lt. Curry. He has worked several shifts with him since the summer of 1989, with the exception of two weeks, he has spent a great amount of time in the last few years with him. Sgt. Jepsen noticed that Lt. Curry was not going up the stairs very well in the last one to two years. Sgt. Jepsen has had dialogue in the last three to four years regarding the pain with Lt. Curry. He noticed that he has stopped to talk to someone to rest while climbing the stairs. He stated that Lt. Curry works out at the Fitness Center; and he has had occasion to bump into him there; he has noticed him rubbing his knees when getting off the exercise the bike. While at work, when they would work together, Sgt. Jepsen stated that Lt. Curry would complain about the pain daily in his knees. He has seen him show physical signs of pain even when no one else may have been around (massaging his knees); and he has noticed that is has gotten significantly worse in the last 12 months. Sgt. Jepsen stated that Lt. Curry is not lazy but he would ask Sgt. Jepsen to run reports from the lower level of the Police Department to the Clerk area so that he would not have to climb the stairs. Sgt. Jepsen proceeded to describe the Watch Commander's office and the Clerk area, and the layout of the Police Department; he estimated that there were 8-10 steps on each flight, 15-20 total stairs. Sgt. Jepsen stated that besides acting as a Lieutenant, Lt. Curry is called upon to do street-level supervisory and arrests, as he is always in uniform at work. Sgt. Jepsen stated that he would make traffic stops; and he recently handled a violent domestic in the southeast part of Urbana; and Lt. Curry was his only back-up.

Assistant Chief Russell Brown: A/C Brown stated that he is currently acting as Chief at the Urbana Police Department; he has been with the Department for 23 years and since 82/83, he has been in a command position. The then Sgt. Curry would report to A/C Brown. In 1982, Lt. Curry was sent to the FBI Academy. A/C Brown was aware that while Lt. Curry was there, though it could have been immediately after he came back, he complained to A/C Brown of the running and stairs while at the Academy. A/C Brown stated that while at the Academy, he was on the City's payroll. A/C Brown stated that he worked the street with him in 1973; and he did not complain of any pain before the Academy and did not notice any physical signs.

A/C Brown stated that he has noticed that he has significant knee pain when climbing the stairs or running. He stated that Lt. Curry was not able to compete in the running portion of the physical fitness test.

A/C Brown stated that he has noticed Lt. Curry's discomfort on the stairs with his knees over the last 4-5 years; however it has been more frequent now than before. Complaints are more frequent. Besides management of the shift, A/C Brown stated that a Lt. has to do any duties that he is called upon to do.

From the Department's view, the Lt. is expected to assist in calls and are actively handling calls due to shortage of manpower. He stated that currently, Lt. Curry is assigned to an office position (Case Management), while another Lt. is at the FBI Academy; however, the Sgt. in CIS is taking care of the operational duties in this section.

A/C Brown stated that there is no current light-duty assignment. D. Walsh stated that during a shift, a Lieutenant has to run up and down the stairs, between the officers, communication center, and management offices and inquired about future plans to revamp the Police Department. A/C Brown stated that there are no future plans.

Lt. Curry: Lt. Curry was sworn in and stated that he has been a Police Officer with the City of Urbana since 05/15/73. He was promoted to Sgt. in 1980 and a Lt. in 1984 working the Third Shift, and then the Second Shift. In 1982, the then Chief Paul Scott, ordered him to attend the FBI Academy in Quantico, Virginia. Before attending the Academy, he engaged in jogging, racquetball, and had no pain in his knees prior to the Academy. An in-depth physical was given before you attending the Academy. He stated that while at the Academy he had to run 45 minutes without stopping on paved roadways (very hilly), tank trails (freshly plowed fields), and in the open country (stamina course). He saw the staff nurse while at the Academy. The pain in his knees got so bad that he had to quit running at the Academy.

Upon his return from the Academy, he complained to officers and A/C Brown about his knees and saw Dr. Whitehill (01/27/83). In February of 1986, he saw Dr. Gurtler, Carle Sports Medicine, and was told that there was no surgical procedure at that time and to follow an exercise program he suggested and use anti-inflammatory medication. Dr. Gurtler diagnosed him having chondromalacia. In January of 1991, he saw Dr. Gurtler again and told him that his condition got worse; it is at this time that Dr. Gurtler recommended he be on a light-duty status.

Lt. Curry stated that he has noticed different levels of pain each year. He stated that he used to work out on a computerized bicycle at level 9; now he has decreased the bicycle to level 2. While walking downhill or on an uneven surface worsens his pain. He stated that prior to 12 months ago, the stress placed on his bad leg when getting out of the car made him hang on the door to get out of the squad car. He stated that the last 12 months his condition has steadily worsened, especially when climbing stairs. At the PR-24 training the Department had in January 1991, it required flexing knees and lunging and he was sore for three days after the training. At the range, he has to shoot from a standing and kneeling position (unsupported); he has encountered a soreness and lingering pain. As a line Lt. he has daily pains; while sitting, he has a numbing pain in his right leg and a sharp, acute pain on a daily basis. He then described the duties

of a Lieutenant.

He currently takes Ibuprofen and Aspirin 3-4 times a day; however, it does not significantly decrease the pain. His current level of pain affects him from performing as a Police Officer; and it has significantly increased in the last 12 months. In the last six weeks, he has been on a light-duty status and he still has the pain.

D. Walsh asked him, and he confirmed, that his condition is aggravated by running. Lt. Curry stated that he made application in 1985 to the U.S. Department of State; however, he was not accepted medically because of his knees.

Lt. Curry did state that in 1987 Todd Barlow solicited him for a job in the securities industry. Lt. Curry stated that he thought he could reach the age of 50 and then retire; however, he now does not feel he can function as a Police Officer. The standing job offer Todd Barlow gave him has been accepted at Hillard Lyons.

J. Wuersch added that there is no practical way in climbing the stairs to the parking lot to get to their squad cars. S. Royal questioned his physical activities; and Lt. Curry stated that he has not played racquetball in the last five years. Runners knee was discussed and the difference between this and Lt. Curry's condition is the spurring of the patella and the deterioration in the ligament building up on calcium.

Lt. Curry stated that he is 41 years old (42 in June); wife 33, son 20, and daughter 15 years.

The following exhibits were entered: Application, #1 form letter sent to doctors, #2 job descriptions for Police Officer, Sgt., and Lt., #3 letter dated 02/19/91 from Joseph A. Bokor, Orthopedic Physician's Assistant, Certified, Carle Dept. of Orthopedics and Sports Medicine, #4 Letter from David R. Hamilton, M.D. from Christie Clinic, #5 letter from Robert W. Quigg, M.D., Carle Clinic Association, #6 letter 01/30/91 from Robert A. Gurtler, M.D., Director, Carle Sports Medicine, Team Orthopedic Surgeon, University of Illinois Athletic Association, #7 Evaluation from Kenneth P. Depersio, M.D., Christie Clinic, #8 letter from Ernest M. Feiler, M.D., (03/01/91), #9 various medical notes from Carle from 01/27/83 to 11/05/86 Dr. Whitehill.

Petitioner's exhibits were entered: #1 Letter from Ofc. Michael Dennemann (02/28/91), #2 Letter from Lt. Philip Parker (03/01/91), #3 copy of letter to wife, #4 Police Case Olson v. Police Pension Board, #5 Fire Case Kellan v. Bd. of Trustees.

D. Walsh stated that because of the running at Quantico that Lt. Curry had to do, his underlying condition was aggravated. He further stated that according to the Illinois Police and Fire

Workmens Compensation, you take an employee as you hire him and an aggravation results in his inability to perform his duties. D. Walsh states that there is no light-duty position available and recommends a duty-related disability.

The Special Hearing was closed and the Board went into an administrative session at 11:20 a.m.

* * *

J. Dobrovolny reviewed the Olson case, which states that you can have a disability that has aggravated a pre-existing disability. If Quantico actively aggravated his condition, he is entitled to claim a duty-related disability. He stated that the following questions must be answered:

1. Did the injury cause him to become disabled?
2. Has the disability made it necessary to retire from the Police force?

J. Dobrovolny stated that Lt. Curry's management duties have not been affected; however, Urbana is unique with their staffing situation and the Lt. will have to perform the duties of a patrolman. He further stated that in many departments this is not the case. Case law was discussed.

M. Schwartz motioned to grant Lt. Curry a disability status, Marla Becker seconded motion. Motion passed 5-0.

M. Schwartz motioned to grant a duty-related disability, Marla Becker seconded motion. Motion passed 5-0.

The administrative session closed at 11:57 a.m.


Respectfully submitted,



Karen R. Snyder
Recording Secretary

Approved:


Jim J. Wuersch


Date