

URBANA POLICE PENSION FUND

308 SOUTH VINE STREET
URBANA, ILLINOIS 61801



URBANA POLICE PENSION FUND BOARD MEETING – May 21, 2001

Present: Elmo Denniston, President
Greg Foster, Vice-President
Jim Wuersch, Secretary
Steve Royal, Asst. Secretary
Ron Eldridge, Member @ Large

Others

Present: Dennis Belcher, Smith Barney
Jim Dobrovlny, Attorney for the Board

President Denniston called the meeting to order; all Board members were present. Motion by J. Wuersch, seconded by Steve Royal, to approve the minutes of the Board on December 1, 2000; Motion carried unanimously.

Investments: Discussion on investment strategies. Based upon D. Belcher's recommendation of McKee's personnel changes and fund performance, the Board was recommended to reallocate funds. Motion by S. Royal, seconded by J. Wuersch, to close the account with McKee and direct D. Belcher to transfer \$340,000 to the Laurel account to maximize the equity account; remainder of funds from McKee shall go to the Madison account. Motion carried unanimously.

Patrick Donnolly: D. Belcher has hired Patrick Donnolly and will bring him to upcoming meetings and introduce him to the Board. In 5-7 years, D. Belcher would like reduce his workload.

Jay M. Loschen: Physical and psychological of J. Loschen was distributed; Board members approved J. Loschen unanimously. (J. Loschen's date of hire is 09/15/00).

Self-Managed Plans for Pensioners: J. Dobrovolny discussed the tentative plan the legislature adopted last year, which is to become effective July 2002. When this becomes effective, a new employee shall have the choice of this managed plan or the Department Pension Fund. Under this Plan, the State will provide the disability contribution; it is unknown who will be making disability determinations. The employee and the City would contribute a percentage to this Plan. Details to follow

Money Managers: G. Foster inquired about other money managers; D. Belcher will make a comparison with other managers, to include the core manager Regent Alliance Capital.

Duty Disability: S. Royal inquired if the City is liable to back-up health benefits; J. Dobrovolny stated there's more information coming from the legislature and it is possible. R. Eldridge stated 'catastrophic' means catastrophic – no gainful employment; he stated none of the previous claims would be categorized as 'catastrophic'.

IPFA Membership Dues: S. Royal said the information gained, especially for new Board members is worth the membership. Motion by S. Royal to pay the annual dues (\$650) to IPFA. Motion was seconded by J. Wuersch and carried unanimously.

Financial Report: J. Wuersch will request the accountant to itemize the general expenses, to include pensioner & bill itemization.


Insurance Bond: R. Eldridge asked J. Wuersch if he had received a bill for the insurance bond from Insurance Risk Managers. J. Wuersch will check the mail and advise. Discussion re: necessity of the bond; the annual premium is \$370/yr.

There being no further items before the Board, the meeting adjourned.

Respectfully submitted,


Karen Snyder
Recording Secretary

Approved this 28th day of August, 2001.


Jim Wuersch
Secretary

Urbana Police Pension Fund
September 27, 2001

Present: Elmo Denniston, President
Ron Eldridge, Treasurer
Jim Wuersch, Secretary
Steve Royal, Asst. Secretary

Absent: Greg Foster, Vice President

Others

Present: Dennis Belcher, Smith Barney
Jim Dobrovolny, Attorney for the Board

President Denniston called the meeting to order; board members, except for G. Foster was present. Motion to approve the Minutes of the last meeting (May 21, 2001) passed.

New Police Officers: Motion by R. Eldridge, seconded by S. Royal to accept the following police officers, who have made application to the Fund:

Andrew J. Hewkin	061401
David G. Smysor	062201
Sean L. Taylor	062201.

Acceptance by those present was unanimous.

Eric S. Vangurp (091201) was also accepted into the Fund, with the provision of a follow-up on the physician report at the next Board meeting.

Election: J. Dobrovolny stated there was an election of active pensioners on 12/20/01; Lieutenant Michael Bily was elected to a 4 year term.

R. Fouts: J. Dobrovolny stated he is still working on a briefing schedule with D. Walsh.

Reallocation of Funds: In October, \$475,000 was transferred from the McKee Bond Fund to Laurel; \$100,000 was transferred to Laurel in November from McKee.


International Stocks: Discussion on whether or not to invest in the international market. R. Eldridge did not endorse this investment. At this time, the Board will not pursue this investment.

D. Belcher reviewed Madison & Laurel stocks.

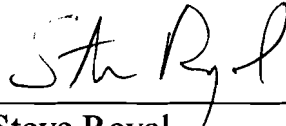
There being no further before the Board, the meeting adjourned.

Respectfully submitted,

Approved this ____ day of February, 2002.



Karen Snyder
Recording Secretary



Steve Royal
Asst. Secretary

Urbana Police Pension Fund
December 3, 2001

Next Meeting - March 27, 2002, 1 PM, Police Conference Room **

Present: Elmo Denniston, President
Greg Foster, Vice President
Ron Eldridge, Treasurer
Jim Wuersch, Secretary
Steve Royal, Asst. Secretary

Others

Present: Dennis Belcher, Smith Barney
Jim Dobrovolny, Attorney for the Board

President Denniston called the meeting to order; all Board members present.

J. Teague, Disability Pensioner: J. Wuersch stated J. Teague has requested his pension be changed from a disability pension to a retirement pension.

R. Fouts' Disability: J. Dobrovolny stated a tentative date in December has been discussed with Dan Walsh, re: the status of Fouts.

Pension Statutes: Handout from the Illinois Department of Insurance re: legislative update for Police Pension Funds was discussed (effective 2/02). Topics were self-managed plans, creditable service, rate of pension, pension increase, pension to survivors, benefits and self-managed plans, Pensions (duty related, non-duty related, stroke, occupational disease, marriage after retirement, re-entry after service, contributions, and reserves.

Actuarial Valuation Report: R. Eldridge distributed this report, which covers 7/1/00 to 6/30/01, prepared by Timothy W. Sharp, Actuary. In Sharp's summary, he states the percent funded by the City has increased from 65.7% last year to 68.7% this year. R. Eldridge stated the City is attempting to catch up with their contributions (funding level is now at 69%).

Audit Report: R. Eldridge presented the Audit Report, covering the same period as the Actuarial. Important points of the Audit noted are: pension portfolio shifting

investments in certificates of deposit and savings to equities (summary of '92 to '01); maturity periods for investments has been approximately 7 years; investment breakdown, returns; calculation of benefits for regular and disability pensioners and costs; summary of active pension members.

Holiday Pay in Base Pay: R. Eldridge stated he might have something from the Department of Insurance regarding standby pay. J. Dobrovolny stated the Illinois Administrative Code provides holiday pay can be considered part of salary, like overtime pay.

There being no further before the Board, the meeting adjourned.

Respectfully submitted,

Approved this 6th day of February, 2002.

Karen Snyder
Karen Snyder
Recording Secretary

Steve Royal
Steve Royal
Asst. Secretary