



Urbana Police Pension Fund

400 S. Vine
Urbana, Illinois 61801
217(384-2320)
FAX 217(384-2363)

URBANA POLICE PENSION FUND
BOARD MEETING – March 23, 2004

~~Next Board Meeting: Wednesday, July 7, 2004, 10:00 AM
Police Department Conference Room~~

Present: Elmo Denniston, President (Elected by Pensioners)
Greg Foster (Mayoral Appointee)
Ron Eldridge, Treasurer (Mayoral Appointee)
Steve Royal, Secretary (Elected by Active-Duty Members)
Michael Bily, Asst. Secretary (Elected by Active-Duty Members)

Others

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

E. Denniston called the meeting to order at 10:05 AM. Motion by Steve Royal to approve the Minutes of December 12, 2003; M. Bily seconded motion. Motion passed unanimously.

Michael Cooper: S. Royal stated there was a calculation error in M. Cooper's disability check. The Lieutenant's \$100 monthly payment is no longer in effect, but was in effect at the time M. Cooper applied for pension. His reimbursement for the difference was paid and pension adjusted.

M. Cooper also questioned the payment of benefits at the end of the month. S. Royal explained this was because if a pensioner passes before the end of the month, his payment would be pro-rated.

Presentation by Dennis Belcher: D. Belcher discussed the Contract for ETFs, the economy, corporate profits, interest rates, recession, unemployment, manufacturing sector, small capital, etc.

Motion by S. Royal to rebalance the zero price international fund from its current percent of 8% down to 6%. The monies shall be transferred to the Dreyfus Appreciation Fund. Motion carried unanimously.

J. Dobrovolny stated according to his interpretation of the Statute, Smith Barney is the acknowledged fiduciary. D. Belcher stated they are an investment advisor/custodian of the Fund. J. Dobrovolny stated he has talked to Tom Jones of the Department on Insurance and Jones stated ETFs are more of a common/preferred stock versus a mutual fund.

S. Royal stated he would like to proceed with the ETF Contract because it will save the Fund money. D. Belcher stated there's no cost/penalty to the fund if they proceed with the ETF today and in 6 months change their mind. Lengthy discussion ensued. Motion by S. Royal to move the funds in Laurel ,to a non-discretionary ETF Fund (20% will go to S&P mid caps and 80% S&P). Motion carried, opposed by G. Foster.

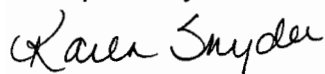
Policy Statement:

R. Eldridge had a couple of changes to the Policy Statement and D. Belcher will revise.

Board: Inquiry was made about Board officers and changes will reflect appointed, elected members.

There being no further items before the Board, the meeting adjourned at 11:52 AM. Motion for adjournment by S. Royal, motion passed.

Respectfully submitted,



Karen Snyder
Recording Secretary

Reviewed this 22nd day of June, 2004



Steve Royal
Secretary



Urbana Police Pension Fund

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URBANA POLICE PENSION FUND
July 7, 2004

Next Board Meeting: Tuesday, October 19, 2004, 10:00 AM
Police Department Conference Room

Present: Elmo Denniston, President (Elected by Pensioners)
Greg Foster (Mayoral Appointee)
Ron Eldridge, Treasurer (Mayoral Appointee)
Steve Royal, Secretary (Elected by Active-Duty Members)

Others

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

E. Denniston called the meeting to order at 10:05 AM. Motion by Steve Royal to approve the Minutes of March 23, 2004; G. Foster seconded motion. Motion passed unanimously.

Election of Active Members: J. Dobrovolny stated there was an election of active members of the Board and the results are as follows:

Steve Royal	26 votes
James Koker (aka Cory)	13 votes
Mike Bily	9 votes

S. Royal and C. Koker were the newly elected trustees. At the next meeting, the Board will discuss staggering the terms of the Board, so they don't occur the same year. Royal and Koker's term expires 5/2006.

J. Dobrovolny will prepare a Memorandum of the election results.

Department of Insurance Increase: E. Denniston inquired about a fees increase for the Dept. of Insurance. R Eldridge stated it was paid in April. IPPFA had an article about advising the Boards to file a letter of protest about some legalities of the increase of fees. J. Dobrovolny stated we could still send a letter stating we are protesting it. R. Eldridge will write the letter stating we are protesting the fees increase.

IPPFA Conference: The Board discussed allocating money for the IPPFA conference. The Board approved hotel and other expenses related to the conference, which is held

October 12-16 in Springfield. Motion by Royal, G. Foster seconded; motion carried unanimously. J. Dobrovlny recommended C. Koker be contacted about the conference; S. Royal will talk to C. Koker about attendance.

E. Denniston stated there are several forms on the IPPFA website that may be valuable to the Pension Fund. They are also requesting forms of current Pension Funds for review and use.

Investment Statements: The statements have a different appearance; D. Belcher will check on the reporting and see if it can be similar to past reports.

James Page: A/C J. Page officially retired 7/2/04; he will be drawing a check until the August 6th, he will be added to the pension in August w/ a prorated check (August 7-31).

Buy-Back from Previous Service: S. Royal had two inquiries about buying back service (RPD Beasley about 1-2 yrs) and the other from K. Jepsen; S. Royal will contact R. Eldridge about the costs.

Tape Recorder: Recommendation by S. Royal to purchase a tape recorder for the Board meetings. Motion by G. Foster to purchase a recorder; motion passed unanimously.

Bloomington & Schaumburg Case:

J. Dobrovlny gave the Board a synopsis of the officer who received a line of duty disability under the Public Safety Employees Act. The officer was entitled to receive healthcare coverage from the City. The Appellate Court in Schaumburg stated it was not a catastrophic injury; Bloomington held the other way, and the Supreme Court affirmed the Bloomington case that catastrophic injury in the line of duty does mean that, as well as extra elements met. If met, the officer would start receiving healthcare coverage for him and his family, provided by the City. If someone has been out in the past, is it retro (NO); it is only effective from the date of the Act. J. Dobrovlny stated Joe Phebus may be giving the City a call, as this would affect the City, not the Pension Fund.

Catastrophic Injury – The Court looked at the debate on the House floor of the Senate, stating this means “line of duty injury”. Schaumburg questioned catastrophic. J. Dobrovlny stated we should always give the City Notice of Hearings and if they want to participate, we should let them, as they are an “interested party”.

Healthcare - Currently, members pay the single cost and stay on the City’s coverage, deducted from their check. J. Dobrovlny stated he thinks there will be a session at the conference about products/programs, as IPPFA is very involved in developing something between the city and unions to negotiate and agree to on healthcare insurance. They are able to demonstrate w/ healthcare

savings accounts, a higher deductible, a higher co-pay, and put them in a healthcare savings plan to pay for this; cost savings are huge.

Presentation by Dennis Belcher:

Policy Statement - D. Belcher stated the Board needs to adopt the Policy Statement. The intent of the revised Policy was to remove all the legalese and complication, resulting in a policy statement half in length; the other policy statement was more complicated than it needed to be; there's no substantive change.

G. Foster went through the Contract and the Board members had no problems with the Contract; they had agreed, understanding the Contract may need to be revised, at a later point, but were in consensus to approve.

Law states Pension investments can be allocated as follows: 10% in mutual funds, plus 35% in managed accounts or mutual accounts for a total of 45%. With the Policy, the Board is stating that we are going to let it run; bringing it back at the end of June to conform with the statute, the conflict between 35 and 10, but you never have to sell anything. The Board has resolved that by stating if it goes past 45, we are going to take it back down. At the end of May, the Fund had 35.8% in exchange funds, 11.3% in the track, and fixed income is 52.9%.

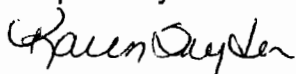
Motion by E. Denniston to accept the policy statement (corrections, pg 8, 10); all members present were in favor of the motion; motion passed unanimously. Signatures were obtained and R. Eldridge will forward to the Dept of Insurance for filing.

Investment Review: D. Belcher reviewed the pension status at the end of the fiscal year. The Board will review the asset allocation at the end; May/June figures were released and final numbers will be presented at the next meeting. More funds will be coming from the City of Urbana.

Discussion on the following: economy is growing; jobs have been increased in the US (last six months a net million new jobs); inflation is increasing (3.1%, affected by commodity prices: copper, oil, steel, shipping rates have all eased back); manufacturing index is still strong; year-to-date thru May, S&P, 5 yr. treasury bond yields; bond market returns


There being no further business before the Board, the meeting adjourned at Noon.

Respectfully submitted,



Karen Snyder
Recording Secretary

Reviewed this 7th day of October, 2004



Steve Royal
Secretary

C: UPD Bulletin Board
Pensioners
Board Members
B. Walden
K. Cundiff
Pensioner's File: Page



Urbana Police Pension Fund

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URBANA POLICE PENSION FUND
October 19, 2004

Next Board Meeting: January 21, 2005, 9:30 AM
Police Department Conference Room

Present: Elmo Denniston, President (Elected by Pensioners)
Greg Foster (Mayoral Appointee)
Ron Eldridge, Treasurer (Mayoral Appointee)
Steve Royal, Secretary (Elected by Active-Duty Members)
Cory Koker

Others

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

E. Denniston called the meeting to order at 10:05 AM. The Board welcomed Cory Koker to his first meeting of the Urbana Police Board. Motion by Steve Royal to approve the Minutes of July 7, 2004; E. Denniston seconded motion. Motion passed unanimously.

New Officer - KURTIS BUCKLEY: Upon motion by S. Royal, K. Buckley's application for the Pension Fund was approved by Board members. K. Buckley's DOB/061382 and DOE/090904. Upon review of the medical report, Board members unanimously approved Buckley's application.

Election of Board Officers - Discussion of making the officer terms one year versus two. Motion by R. Eldridge to elect the following officers:

Elmo Denniston President

Steve Royal Secretary.

Motion seconded by S. Royal; motion passed unanimously.

Investment Guidelines: D. Belcher went over the Investment Guidelines. Lengthy discussion ensued; motion by R. Eldridge to reference the Statute/Chapter, and add "as an example, but not limited" with synopsis, as noted by D. Belcher.

Investment Statements: E. Denniston stated the investment statements have a different appearance and it was harder to differentiate between the accounts. D. Belcher stated he'll straighten the reporting to Board members.

Annual Audit Financial Report: R. Eldridge distributed the Audit Report, which was prepared by Tim Sharp, for the City. R. Eldridge summarized important points of the Report, in particular the City's contribution to the Fund, based on the actuary. Discussion regarding the Board formally requesting a specific amount for the the City to pay. Motion by R. Eldridge to request the City provide \$1,260,850 for the Police Pension Fund. Motion seconded by S. Royal and carried unanimously.

Presentation by D. Belcher: D. Belcher summarized what's been going on in the market, to include the growing economy, unemployment (5.4%), stock market and effects of the US Presidential election; energy; treasury bills, international market/stocks, fraudulent e-mails from companies to include Smith Barney; ITPFA (encouraging members to cut down on class action lawsuits), Madison (extending maturity in the future), ETFs & Mutual Funds, etc.

Motion by S. Royal to cash in the international fund and roll the funds into the ETF account. Motion passed unanimously.

The meeting was adjourned at 11:50 a.m.

Respectfully submitted,



Karen Snyder, Recording Secretary

Reviewed this 10th day of January, 2005.



Steve Royal, Secretary