



# Urbana Police Pension Fund

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## URBANA POLICE PENSION FUND

**October 31, 2008, 10 AM**

City Building Conference Room

**\*\* Next Board Meeting: Friday, January 23, 2009 @ 10 AM \*\***

**\*\* City Building Conference Room \*\***

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

Others

Present: Patrick Donnelly, Smith Barney  
Jim Dobrovolny, Attorney for the Board

Absent: Rich Surles, Assistant Treasurer (Elected by Active Duty)

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E. Denniston called the meeting to order at 1015 hrs.

**Approval of Minutes (072508):** Motion by S. Royal to approve the minutes; seconded by G. Foster; motion passed unanimously.

### **New Officers:**

Matthew Rivers	DOE 050808,	DOB 091181
Darrin McCartney	DOE 102308	DOB 081986

Medical and psychological reports were reviewed; no problems noted. Motion by S. Royal to approve to the Fund; G. Foster seconded the motion; motion passed unanimously (Roll call: Ron-yes, Greg-yes, Elmo-yes, Steve-yes [Rich not present]).

The Fund has not received report on McCartney; he will be tabled to the next meeting.

**Resignation:**

Chris Darr	DOE 072603	DOR 100808
Will Jou	DOE 050205	DOR 101708
Michael Harvey	DOE 073108	DOB 022183

Request was received from C. Darr to withdraw 100% of his contributions in the Fund. He was reimbursed by the Fund (ck #15857 in the amount of \$26,571.81. Motion by S. Royal to approve his reimbursement request for his contributions. Motion seconded by G. Foster; motion passed by Board in attendance.

Final amounts are not known for Jou and Harvey, at this time. W. Jou has requested reimbursement. (Harvey resigned from the Department before being approved by the Board.)

**Reimbursement:** Request by S. Royal for reimbursement for expenses incurred to attend the IPPFA conference; amounts are based on the City of Urbana Travel Policy. (400 miles RT, 58.5 cents/mile, motel receipt, 5 meals for 3.5 days, totals \$794.17) Motion by R. Eldridge to reimburse S. Royal; G. Foster seconded motion. (Roll call: Ron-yes, Elmo-yes, Greg-yes [Steve abstained, Rich not present]).

**Buy-Back Update:** Per HB 373, Michael Bily did a buy-back for his time at Gibson City PD (5 months). A follow-up bill, HB 4603, allowed for the purchase of additional time under the Bill; COP Bily requested an additional IMRF Buy-back of 22 months (5 months, then 22 months) of service. M. Bily paid the Fund \$4,163 for this additional time (22 months).

M. Bily's new date of service for Pension Fund purposes is 081982.

**Quarterly Financial Statements:** R. Eldridge distributed these to Board members.

**Audit Report:** R. Eldridge distributed the Auditor's report, which stated a clean opinion, gave no suggestions for improvement.

He reviewed the tax levy requirement by law is \$1.2 million; Request for the City is 1.63 million; the City contributed \$1.7 million, which is a 64% funding level, similar to other City's.

R. Eldridge stated this last year's investment performance wasn't as good as previous years, due to the stock market. He discussed changes to the Fund, W. Curry going from disability to a regular pension; H. Waller passed away; the oldest pensioner is E. Swearingen (96 yoa) who resides in Urbana; 4 new officers were

added to the Fund; 4 officers left the Fund; the average age of the workforce is 36 years w/ 10.2 yrs of experience on the force.

Motion by R. Eldridge to approve the Audit Report, seconded by S. Royal; all present approved for the motion to carry.

**Public Act 95-950:** J. Dobrovolny stated an itemized report is sent to the City every year when requesting a tax levy. A list of all assets in custody, market value, exceptions important to the fund, expenses, officers of the Fund, services, etc. are included.

**IPPFA Article 3 Funds:** J. Dobrovolny stated the IRS wants more say and control over what Boards do regarding the conversion from disability to retirement, so the individual can be taxed. IPPFA is trying to get a letter submitted for the entire state sent to the IRS; this would assist Pension Funds because the filing and legal fees are staggering. One letter might cost \$160,000, divided by the Funds might result in a \$300 expense for the Fund, but will save the Fund thousands of dollars.

**Advising Fiduciary:** J. Dobrovolny stated the Department of Insurance is wanting to limit fiduciary relationships to a 5 year term, requiring an RFP process. If not compliant, this can result in a class 4 felony. A fiduciary of a fund advises on investment transactions, with a business relationship.

P. Donnelly stated Smith Barney is not concerned, as they are a manager of our Fund, Quarterly statements of expenses would have to be generated indicating the amounts paid to the investment money managers by Smith Barney. A certification of payment should not be a problem; mutual fund companies will need to write a letter regarding receipt of payment. R. Eldridge is confident the D of I will give guidelines for the Fund to follow. P. Donnelly will compile information for compliance at the end of the year to show the Board; J. Dobrovolny stated a report should be submitted quarterly and annually.

**Smith-Barney Presentation:** Presentation by P. Donnelly regarding an update on the market & the Fund's portfolio.

Based on P. Donnelly's recommendation, S. Royal made a motion to transfer one million from the money market and place in a tax free money market fund. Invest these funds in increments of \$250,000, investing in November, December and January in the S&P 500 and S&P Mid Cap 400. Motion seconded by G. Foster, motion carried.

R. Eldridge stated P. Donnelly can advise the Board, via e-mail, to make recommendations as to the percentage to invest in each fund (probably 80/20, leaning toward the Mid Cap 400).


The Board was in consensus the Fund needs to be rebalanced actively, w/ the market situation.

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

Respectfully submitted,

  
Karen Snyder  
Recording Secretary

Reviewed this 6th day of January, 2009.

  
Steve Royal  
Secretary