



Urbana Police Pension Fund

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URBANA POLICE PENSION FUND

Friday, January 25, 2013, @ 1:30 PM.

**** Next Board Meeting: Friday, April 26th, 2013, @ 1:00 PM ****

**** City Building - Executive Conference Room ****

Present: Steve Royal, President (Term expires 5/31/14)
Dave Smysor, Secretary (Term expires 5/14/13)
Ron Eldridge, Treasurer (Term expires 5/31/13-Mayoral Appointee)
Earl Hamilton, (Term expires 5/31/13-Mayoral Appointee)
Doug Pipkins, Assistant Secretary (Term expires 5/31/14)

Others

Present: Jim Dobrovoly, Attorney for the Board
Patrick Donnelly, Morgan Stanley Smith/Barney

The meeting was called to order at 1:30 PM by S. Royal. Motion by s. Royal to approve the Minutes of 10/26/12; seconded by D. Smysor, motion carried unanimously.

OLD BUSINESS:

Minutes 10/26/12: Motion by S. Royal to approve the minutes of 07/27/12; motion passed unanimously (voice vote of ayes by D. Smysor, R. Eldridge, E. Hamilton, D. Pipkins).

NEW BUSINESS:

Public Participation: There was no one present from the public to address.

Review Maximum Limit for Equity Investing: Asset allocation limits were discussed, requirements by the Department of Insurance.

Loan Repayments: R. Eldridge will report on R. Benschneider and J. Norton's loan repayment to the Fund at the April meeting.

Open Meetings Act (IL Attorney General Training): D. Smysor completed the IL Attorney General training for the Open Meetings Act (110612). Per J. Dobrovolny, all board members should have completed this certification by 12/31/12; if not, this shall be done by the next board meeting.

Kurt Buckley Resignation (01/02/13): K. Buckley resigned from UPD as a vested officer; he is now employed by Champaign Police Department. He has talked to D. Smysor about his pension contributions but is still undecided. R. Eldridge stated he'd be happy to show K. Buckley calculations; he just needs to contact him

A. Chacon QUILDRO: The Fund has received a certified copy of Qualified Illinois Domestic Relations order for A. Chacon; a copy of the documents are in his file.

Board Election: J. Dobrovolny was directed to proceed with an election of the active participants in the Fund for D. Smysor's position; his term ends 05/14/13.

Board Appointment: The Mayor appoints two Board positions on the Fund. R. Eldridge and E. Hamilton's term ends 05/31/13. R. Eldridge will contact the Mayor for re-appointment.

Treasurer's Report: R. Eldridge reviewed the Treasurer's Report for the quarter ending December 31, 2012. His report included:

- List of all investments and cash of the Fund.
- Report on financial activity for the quarter.
- List of payments made by the Fund for each month.

He stated all investments and investment activity for the quarter remain in compliance with state laws and the Fund's investment policy.

Motion by S. Royal to accept this detailed report; motion seconded by D. Smysor, followed by voice confirmation from D. Pipkins and E. Hamilton.

Confirmation of Pensioners: J. Dobrovolny recommended a good practice for the Fund is for a signed statement from each pensioner, stating they are living and are receiving payments from the Fund. This should be done on an annual basis; the pensioner shall need to sign the form, get it notarized, and returned to the Fund within 60 days. Failure to do so will suspend their payment.

D. Smysor will look into getting this done.

Investment Presentation: P. Donnelly reviewed the following: capital market, asset allocation analysis, US Domestic Equity index, domestic equity, Clearbridge Advisors, US Alt Strategy, international equity, Madison & McDonnell investments, and an asset allocation comprehensive analysis.

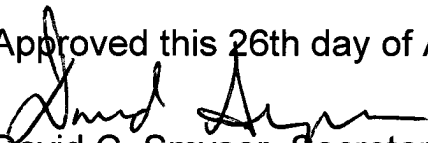
In addition, he provided the Board w/ six finalists for recommendation as an active manager for the Fund's growth sector. He went over their information and recommended Neuberger Berman, LLC (Large Cap Disciplined Growth) for the Fund's growth manager. Motion by S. Royal to instruct P. Donnelly to hire Neuberger Berman, LLC. Motion seconded by D. Smysor, with D. Pipkins (aye), E. Hamilton (aye), and R. Eldridge (aye), motion carried unanimously.

Motion by S. Royal to open an account with Neuberger Berman, LLC, in the amount of \$600,000 (money is from the closed Callamos account), as well as \$100,000 to be invested in the value side of the account. The remainder will stay in cash. D. Smysor seconded motion, with R. Eldridge (aye), D. Pipkins (aye), and E. Hamilton (aye); motion carried unanimously.

P. Donnelly will forward information to D. Smysor and K. Snyder regarding research for a potential manager for the emerging market funds.

No further business was before the Board, so the meeting adjourned at 2:55 PM.

Respectfully submitted,
Karen R. Snyder
Recording Secretary

Approved this 26th day of April, 2013.

David G. Smysor, Secretary