



Urbana Police Pension Fund

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URBANA POLICE PENSION FUND
Friday, November 1, 2013, @ 1:00 PM.

**** Next Board Meeting: Friday, January 24, 2014, @ 1:00 PM ****
**** City Building - Executive Conference Room ****

Present:

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

Others

Present: Jim Dobrovolny, Attorney for the Board
Patrick Donnelly, Morgan Stanley Smith/Barney
Tom O'Connel, McDonald Investments

Member

Absent: Steve Royal, President (Term expires 5/31/14)

The meeting was called to order at 1:10 PM by D. Smysor. Motion by D. Smysor, seconded by D. Pipkins to approve the Minutes of 07/26/13; motion carried unanimously.

Old Business:

Minutes of April 26, 2013: Motion to approve the Minutes, as the Minutes were revised to include R. Eldridge and E. Hamilton's term expiration of 5/31/14.

Active Pension Election: D. Smysor's appointment is by acclimation; no one was interested in running for the Board from the active membership. J. Dobrovolny stated until there is someone to fulfill the vacancy, D. Smysor shall remain in office.

D. Smysor stated he is interested in remaining on the Board; he wants to be a candidate for re-election. J. Dobrovolny stated since he's the only one interested,

the Board should declare him, by acclamation, appointing him to the Board. Motion by R. Eldridge to accept D. Smysor, for a 2 year term on the Board (expires 5/14/2015). *His term will be reflected in the January 24, 2014 minutes.* Motion was seconded by D. Pipkins. Roll call: R. Eldridge (aye), E. Hamilton (aye), D. Pipkins (aye). D. Smysor abstained.

Board Meetings: J. Dobrovolny discussed the purpose of closed meetings, executive session, and open meetings. He stated Minutes will be noted in executive session and then open meeting. His reasoning, rationale is for the Board reaching their decision; closed session is private, no one gets to hear what was discussed. There generally has to be something in writing and minutes remain separate.

The Minutes for Steve Scharf's disability hearing will be revised and moved to the next quarterly meeting by motion of D. Smysor, seconded by R. Eldridge.

Pensioner Confirmation Letters: Discussion regarding the letters was discussed and the Board thought it best to do this @ beginning of the year. D. Smysor will get w/ UFD to see what they use as a form and will do this at the beginning of 2014, requiring the pensioners to have a notary to notarize the form we send to them. This is a good businesses practice to start, recommended at the IPPFA conference; a draft will be presented at the next meeting.

Pension Accounting: R. Eldridge stated things are going fine and he suggested one change and that is to pay C. Tucker monthly v. quarterly, being paid the same amount broken down in monthly installments.

IPPFA Conference: The following Board members attended the conference: D. Pipkins, S. Royal, and D. Smysor. We haven't received their certificates in mail but will get them filed for yearly training.

Woodlake: D. Smysor stated Chris Rocks, a representative from Woodlake contacted him, after the conference giving information about their services. D. Smysor stated he would not mind giving them a try, as there is no monetary agreement that the Fund has to sign-up for, their prices are reasonable for gathering medical info, and sending for medical exam. J. Dobrovolny shall contact C. Rocks and invite him to the next Board meeting.

Matthew C. McKinney's Application: The Board approved his application and date of hire, but needed to fill out a new form, as he checked both boxes for previous employment through a police agency. The board signed the new form and will get S. Royal's signature for the file. It will be signed with the date of the last meeting (July 26, 2013), with his date of employment of July 3, 2013.

Daniel J. Montanari Resignation (DOE 03/29/12): D. Montanari will be resigning in the future; upon resignation, he'll be getting a refund for his contributions.

New Business

Public Participation: None.

Financial Report: R. Eldridge stated the quarterly report is noteworthy because it notes some changes to the Fund: the sale the Spider S&P, Spider S&P 500 ETF, and Spider Mid Cap Fund, for the VanGuard Value and ETF, action at the July 26, 2013, meeting. The disability pension for S. Scharf was added to the financial report. Motion by D. Smysor to accept the quarterly financial report: D. Pipkins seconded motion, with a 'YES' vote from E. Hamilton.

Annual Report: R. Eldridge stated the Fund had a great year, with net assets @ \$14.9 million, with the Fund @ \$31 million, a 9% increase. He reviewed the changes in the Fund (G. Hewkin passed [Mrs. Hewkin added as a dependent pensioner], J. Welborn retired); the number of pensioners is steadily growing from 15 to 26 over past years, currently 10 disabilities.

Motion by D. Smysor to accept the annual audit, 2nd by E. Hamilton, with an 'aye' by D. Pipkins; motion passed unanimously

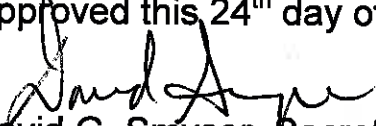
Tom O'Connel, McDonald Investments bond manager, reviewed McDonald's performance, followed by P. Donnelly regarding the Fund's quarterly review.

Cabelli: June till September is a good time to liquidate Cabelli. Motion by R. Eldridge to sell off the Cabelli Fund, liquidating the \$1.1 million fund, moving \$400,000 to emerging market allocation (DWO VanGuard), with remainder going to the international fund (split would be 60 to Thornberg, 40 to William Blair). (Roll call: D. Pipkins (yes), D. Smysor (yes), E. Hamilton (yes), motion passed.)

Motion by R. Eldridge to sell off the former mutual fund and open up a stock account; the Fund would then sell Thornberg Mutual Fund and turn around and open a stock account w/ them at the lower cost. (Roll call: D. Smysor (yes), D. Pipkins (yes), R. Eldridge (yes), E. Hamilton (yes). Motion passed.

No further business was before the Board, so the meeting adjourned at 2:45 PM.

Respectfully submitted,
Karen R. Snyder
Recording Secretary

Approved this 24th day of January, 2014.

David G. Smysor, Secretary