

URBANA POLICE PENSION FUND

308 SOUTH VINE STREET
URBANA, ILLINOIS 61801



URBANA POLICE PENSION BOARD

May 27, 1997

Present: Elmo Denniston, President
Mel Schwartz, Vice President
Jim Wuersch, Secretary
Steve Royal, Assistant Secretary
Greg Foster

Others

Present: Ron Eldridge, Comptroller
Charlie Gordon, Pensioner

Absent: Jim Dobrovolny, Attorney for the Board

The meeting was called to order by President Denniston at 10 AM. Motion to approve the minutes of December 11, 1996, was made by J. Wuersch, seconded by S. Royal.

Appointment to the Board: The Board received a letter from Mayor Satterthwaite to fill the vacancy of Mel Schwartz with Ron Eldridge, the City Comptroller.

New Police Officers: J. Wuersch submitted for Board approval the applications of Douglas A. LeConte (doe 030397) and Brian D. Willfong (doe 040397). J. Wuersch stated no abnormalities were noted in their physician reports.

J. Wuersch further stated that three new police officers would be hired; he will keep the Board advised.

Officer Resignations: Two police officers resigned and were reimbursed for their contributions to the Fund: Leonard Grizzard (051597) and Kimberly Cessna (042597).

IPFA: E. Denniston discussed the yearly membership dues (\$600/year). Board members have attended the conference in the past; there's a regional conference in Springfield this month and an annual conference in Peoria in October. Membership dues cover the cost of the conference. J. Wuersch feels that it is good to renew the membership because it provides valuable information for current and new Board members. Motion by G. Foster to pay the bill; seconded by J. Wuersch and passed unanimously.

Accountant Financial Statement: J. Wuersch will mail to the Board members by the end of the week.

Board Member Term: The term of the board was discussed (May 1st or 31st). As M. Schwartz's last day was 5/31/97, this is indicative that terms end at the end of the month.

E. Denniston stated that he would have liked to discuss the Mayor's recent Board appointment, but did not have the opportunity to do so. He questioned the legality of the Treasurer serving on the Board. R. Eldridge stated that the current trend is to utilize the treasurer on boards; he has been attending the monthly meetings and this will give him voting power. The Mayor asked J. Waaler, Corporate Counsel, to research the appointment and he didn't find anything that would not allow this.

Plaque for Exiting Board Members: R. Eldridge suggested the Board purchase a plaque for M. Schwartz (approx. \$50) to thank him for his Board service; J. Wuersch will take care of ordering this; Board members will split the cost.

Pensioners Pay Stub: C. Gordon discussed with the Board to have a pay stub itemizing deductions (i.e. taxes, insurance). Currently, there is no itemization; when questions arise, the accountant has to be called. C. Gordon stated that it would be easier if they could have an itemized stub and this would result in good business practice.

E. Denniston stated that the current accountant is not computerized; discussion further regarding tax changes, health insurance coverage, and confusion of payments that occurred earlier this year. Unanimous consent that anytime the pension check changes, an explanation should be included.

R. Eldridge stated that the Department of Insurance will eventually require us to have this information on-line (the Treasurer's Report will also be an on-line hook-up).

J. Wuersch will talk to the accountant to see how much this will raise the monthly fee charged and advise the board. Computerization of their office was supposed to start a year ago.

J. Wuersch asked if the Board would consider a motion to have Dana Colbert's office attach check stubs for a reasonable increase in fees. If so, when the increase is noted, he will contact E. Denniston; if they are in agreement of the increase, they will proceed. Motion by S. Royal to proceed with this recommendation; motion carried unanimously.

Levy: R. Eldridge stated that the City is recognizing that the levy should be increased and the Mayor will recommend \$820,170 for Police Pension. This amount is an increase from last year's levy of \$650,500 (FYI: 1995 was \$323,000).

The two actuaries recommended the amount of \$890,000; the City will try to get to this point; the City is doing well and can shift funds to make-up this difference.

Presentation by Dennis Belcher: D. Belcher discussed actuarial projections, illustrating the scenario of a police officer's career and the unfunded pension liability.

Also discussed was the Quarterly Investment Review (for the quarter ending March 1997).

Local Investing: D. Belcher asked R. Eldridge about the four banks remaining for investing. Discussion ensued and R. Eldridge agrees with D. Belcher to not purchase 1-2 year CDs, as it does make sense in the long run

to lengthen the maturity structure of the CD portfolio, assuming interest rate levels are reasonable.

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

Respectfully submitted,



Karen Snyder

Approved:



Jim Wuersch



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Chief of Police

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URBANA POLICE PENSION BOARD

August 21, 1997

****Next Meeting – Thursday, November 13, 1997, 9:30 AM****

Present: Elmo Denniston, President
Jim Wuersch, Secretary
Steve Royal, Assistant Secretary
Ron Eldridge, Comptroller
Greg Foster

Others

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

The meeting was called to order by President Denniston at 9:30 AM. Motion to approve the minutes of May 27, 1997, passed unanimously.

J. Wuersch reported the following:

Resignation of Lori Baird Phillips: Effective 080797, she has requested her pension funds withdrawn.

New Officer- Justin Levingston: J. Wuersch distributed his physical and psychological report to the Board. R. Eldridge noted limitations contained in his medical report. Motion by J. Wuersch to accept him to the Fund, subject to the limitations in his medical report. (Levingston's DOE 061997)

Upcoming Disability Hearing – Paul Stearns: J. Wuersch informed the Board that Police Officer Paul Stearns is currently on duty injury status, drawing compensation for a knee injury running up stairs on a call.

Accountant: The IRS has implemented a system to electronically transmit withholding taxes. Pensions will soon have to go to this reporting system. Motion by J. Wuersch for the Fund to transmit withholding taxes, per IRS procedures; motion passed unanimously.

J. Dobrovoly advised the Board that the Feds passed a bill re: child support collection, mandating the states to enact. If IL does not enact this, they could lose federal funding, losing $\frac{3}{4}$ of a billion dollars; Illinois has passed a 400-500 page act regarding child support. This Act defines income; disability pensions are now included. This will result in additional paperwork for the Fund.

Buy Back Time: J. Wuersch inquired on buying service credit from previous employers of other cities. Discussion ensued, to include the expense for cities, impact on small communities, portability, transfer of contributions into the new Fund, plus interest, and contributions the City made. D. Belcher brought up unfunded contributions.

Presentation by Dennis Belcher:

Quarterly Investment Review (for the Quarter ending June 1997): Discussion on expanded investment authority, fiduciary issues, review of alternatives (mutual funds, separate accounts, accounts managed by investment advisors), cost of alternatives, accounts managed by investment advisors, summation.

Market Review: A review of the U.S. economy, stock market and bond market, as well as the overseas market.

Pension Fund's Performance: Review of performance, allocation, and investment goals.

Investment Managers will be discussed at the next Board meeting.

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

Respectfully submitted,


Karen R. Snyder
Recording Secretary


Jim J. Wuersch
Board Secretary

