

CITY OF OLNEY  
FIRE PENSION BOARD  
APRIL 12, 2016

AGENDA #1 “CALL TO ORDER” The City of Olney Fire Pension Board met in the Fire Station at 9:00 A.m. on April 12, 2016, with Firefighter Mike Hill presiding.

AGENDA #2 “ROLL CALL” The following members were present: City Treasurer Sanders, Retired Firefighter Clarence Smith, Firefighter Michael Beam, and Firefighter Mike Hill. David Lobacz was absent. City Clerk Kelsie Sterchi was also present.

AGENDA #3 “APPROVE MINUTES FROM FIRE PENSION BOARD MEETINGS ON NOVEMBER 18 AND DECEMBER 17, 2015” Mr. Smith moved to approve the Fire Pension Board minutes from November 18 and December 17, 2015, seconded by Firefighter Beam. A majority affirmative voice vote was received.

AGENDA #4 “TREASURER’S REPORT”

4-A “Discussion: Income and Expense May 1, 2015 - March 31, 2016” The Board was provided with a copy of an income and expense statement from May 1, 2015, through March 31, 2016.

Mr. Sanders told the Board that income and expense actuals were tracking to budget. Year-to-date, \$194,404.74 had been received in income. The 2015/2016 budget estimated a total of \$218,542.00 in income. Between interest income and gain on investments, a total of about \$15,000.00 had been gained so far.

The cash needs for the next four months will be \$60,000.00 to make the pension payments. Also within the next four months, the first installment of real estate taxes will be received. Currently, the money market account at Citizens National Bank holds \$127,000.00. A CD had also recently matured on April 11 in the amount of \$51,263.27, and corporate tax received in the next four months would total \$6,300.00. A total of \$185,000.00 was available to be used towards the upcoming pension payments. Mr. Sanders reminded the Board that \$100,000.00 would need to stay in the money market account to keep the .35% interest rate. The difference would be an amount of \$24,000.00. Mr. Sanders recommended leaving the extra money in the money market account for the time being.

4-B “Discussion: Investment Schedule, Maturities and Investments” The Board was provided with an investment schedule as of March 31, 2016, and a list of CD investment options.

Mr. Sanders reported that the Fire Pension Fund held a total of \$2,183,392.58. The fund would need \$2,500,000.00 to have additional latitude to increase variable investments to 45% of total investments..

On the matured CD, Mr. Sanders recommended rolling the matured amount into the money market account since it would be needed to make the payments.

Mr. Smith moved to roll the \$51,263.27 from the matured CD into the money market account, seconded by Firefighter Hill. A majority affirmative voice vote was received.

Firefighter Beam moved to approve the Treasurer's Report, seconded by Mr. Smith. A majority affirmative voice vote was received.

AGENDA #5 "INVESTMENT CENTERS OF AMERICA INVESTMENTS - KATIE FEHRENBACHER" This item was removed from the agenda.

AGENDA #6 "MORGAN STANLEY INVESTMENTS - ERIC LAUGHLIN CONFERENCE CALL" The Board was provided with a first quarter report for the Fire Pension Fund as prepared by Eric Laughlin. The conference call began at 9:12 a.m.

Mr. Laughlin told the Board that the economy is growing, although at an extremely slow pace. The biggest issue in the current stock market is fear that China's growth is slowing too quickly.

As of March 31, 2016, the performance showed a beginning total value of \$1,302,222.27 with \$22,090.85 of investment earnings. The ending total value came in at \$1,324,310.72.

Overall, Mr. Laughlin did not recommend making any changes for the time being. He did note that he would be in town to speak with the Board in October of 2016.

The conference call ended at 9:35 a.m.

AGENDA #7 "DISCUSS AND ACT ON ART TEPFER ACTUARIAL VALUATION 2016 ENGAGEMENT" Mr. Sanders reminded the Board that last year, Art Tepfer was utilized for actuarial services. Mr. Sanders needed to find out from the Board if they wished to continue Mr. Tepfer's services for another year. Mr. Tepfer would again charge a \$2,000.00 fee. Anticipating the potential of the Board wishing to again use an outside actuary, a \$2,000.00 amount was included in the tax levy.

In Mr. Sanders' opinion, it made sense to use Mr. Tepfer's services again this year, and then more seriously evaluate the need for the service in the third year. If the Board chose not to use Mr. Tepfer, the extra \$2,000.00 in the tax levy would go directly into the Fire Pension Fund.

Mr. Smith moved to again hire Art Tepfer for another year of actuarial services, seconded by Firefighter Beam. A majority affirmative voice vote was received.

AGENDA #8 "DISCUSS AND ACT ON FIRE PENSION 2016/2017 PROPOSED BUDGET" The Board was provided with a proposed Fire Pension budget for the 2016/2017 fiscal year. Mr. Sanders explained that the proposed budget for revenue in 2016/2017 was \$206,731.00 compared to the 2015/2016 projected amount of \$229,890.00. The main difference in the revenues is the reduction in the tax levy.

For expenditures, Mr. Sanders is expecting disbursements of \$203,707.00 for 2016/2017, compared to the projected \$196,789.00 for 2015/2016. The increase is a result of pension payments increasing each year.

Firefighter Hill asked for detail on the increase in the Audit line item. The amount increased from \$800.00 to \$2,600.00 in 2016/2017. Mr. Sanders reminded the Board that the audit cost will still be \$800.00, but that the Fire Pension Board had also voted on allowing Kemper CPA to prepare the annual report. The fee for that service would be another \$1,800.00.

Firefighter Beam moved to approve the proposed 2016/2017 Fire Pension budget, seconded by Mr. Smith. A majority affirmative voice vote was received. The budget would go for Council approval at the April 25, 2016, City Council meeting.

Mr. Sanders reminded the Board that the retirees would need to hold a vote on who would be filling the next term for the retiree.

AGENDA #9 “SCHEDULING OF NEXT MEETING” The Fire Pension Board scheduled their next meeting for June 21, 2016 at 9:00 a.m.

AGENDA #10 “ADJOURN” Mr. Smith moved to adjourn, seconded by Firefighter Beam. A majority affirmative voice vote was received.

The Fire Pension meeting adjourned at 9:56 p.m.

Clarence Smith  
Secretary