

**City of Olney**  
**Police Pension Board Meeting**  
**April 14, 2016**

**AGENDA #1 CALL TO ORDER:** Rick Runyon called to order the City of Olney Police Pension Board meeting for April 14, 2016, at 8:30 a.m.

**AGENDA #2 ROLL CALL:** The following were present: Gregg Brooks, Mike Uhl, Sergeant Josh Schlick, Sergeant Brian Nuttall, and Rick Runyon. City Treasurer Charles Sanders, City Clerk Kelsie Sterchi, and Accounting Clerk Jane Guinn were also present.

**AGENDA #3 APPROVE MINUTES FROM POLICE PENSION BOARD MEETINGS ON NOVEMBER 19 AND DECEMBER 17, 2015:** Mr. Uhl moved to approve the minutes from November 19 and December 17, 2015, seconded by Mr. Brooks. 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 an income and expense statement for May 1, 2015 – March 31, 2016.

Mr. Sanders reported that income and expenses were both tracking to budget. Actual gains on investments sold were at \$14,663.03. Interest budgeted for the year was set for \$85,000.00.

4-B "Discussion: Investment Schedule, Maturities, and Authorize Any Investment of Funds" The Board was provided with an investment schedule as prepared by Mr. Sanders, and a listing of CD investment options.

Mr. Sanders told the Board that the cash needed for the next four months would be \$190,000.00. The next maturities for CDs were set for November and December of 2016. Also within the next four months, half of the tax levy would be received. Mr. Sanders also told the Board that the money market account held \$304,827.95. A minimum of \$100,000.00 needed to stay in the money market account to keep the .35% interest rate.

An amount of about \$41,000.00 was available to invest, if the Board so chose. Included in that amount available to invest was the American Funds paid dividends in the amount of \$5,851.94. Mr. Sanders suggested rolling over the amount into the American Funds account.

Mr. Runyon noted that the pension payments for 2015/2016 were off by about \$44,130.50. He wondered why. Mr. Sanders replied that there was one month left in the fiscal year, and the payments in that month should make up the difference.

**AGENDA #5 LANAE MITCHELL, EDWARD JONES, INVESTMENT UPDATES:** The Board was provided with a listing of today's value holdings, and a bar chart detail of the Police Pension portfolio.

Mrs. Mitchell told the Board that the recent market pullback had gotten better. For 2015, investments were down (.55%) which led to a negative return of (\$11,293.60).

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Year-to-date, returns are at 2.28%. A total return of \$59,204.25 year-to-date had been received. Mrs. Mitchell did note that positive returns are usually received during election years.

Mrs. Mitchell went on to detail that there was pullback in the mutual funds. The annuities held 63% in fixed and 37% in equities.

Mr. Uhl asks if the Board should invest the available \$41,000.00. Mr. Runyon recommended waiting until November to invest those funds. Sergeant Nuttall felt that the \$5,851.94 that had been paid on dividends should be re-invested into those same funds. Mrs. Mitchell agreed with Sergeant Nuttall.

Sergeant Nuttall moved to re-invest the \$5,851.94 in American Funds with Edward Jones, seconded by Mr. Brooks. A majority affirmative voice vote was received.

Before exiting the meeting, Mrs. Mitchell mentioned that the Edward Jones lawyers at their home office are reviewing 1,200 pages of literature in effort to protect retirement and pension accounts. Information had been received from the Illinois Department of Labor threatening banishment of such accounts.

Mrs. Mitchell exited the meeting at 8:44 a.m.

**AGENDA #6 APPROVE APPLICATION FOR JONATHAN PFLAUM'S MEMBERSHIP IN THE POLICE PENSION FUND:** Mr. Brooks moved to approve Jonathan Pflaum's application for membership in the Police Pension Fund, seconded by Sergeant Schlick. A majority affirmative voice vote was received. The Board President and Secretary signed Mr. Pflaum's membership application.

**AGENDA #7 DISCUSS AND ACT ON ART TEPFER ACTUARIAL VALUATION 2016 ENGAGEMENT:** Mr. Sanders needed to find out from the Board if they wished to continue Mr. Tepfer's actuarial 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.

Mr. Runyon noted that a big reason as to why the Fund was underfunded was due to the State's erroneous figures over the years. He would like to use Mr. Tepfer's services again because he did not think that the numbers received from the State were realistic. Sergeant Nuttall agreed.

Sergeant Nuttall moved to hire Art Tepfer for another year of actuarial services, seconded by Mr. Brooks. A majority affirmative voice vote was received.

**AGENDA #8 DISCUSS AND ACT ON POLICE PENSION 2016/2017 PROPOSED BUDGET:** The Board was provided with a proposed 2016/2017 Police Pension budget. Mr. Sanders explained that the 2016/2017 tax levy was anticipated to be \$571,000.00. He further

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explained that the amount proposed for employee contributions from payroll is accurate with the some of the other line items estimated on educated guesses.

Under expenses, the amount for pension payments is mathematical number. Mr. Sanders pointed out that the Audit line item had increased from \$800.00 to \$2,600.00 now that Kemper CPA would also be providing the annual report.

Mr. Runyon asked if anyone was expected to retire this year. Mr. Sanders replied that all officers were years away from retirement.

Sergeant Schlick moved to approve the proposed 2016/2017 Police Pension budget, seconded by Sergeant Nuttall. A majority affirmative voice vote was received. The budget would go for Council approval at the April 25, 2016, City Council meeting.

**AGENDA# 9 SCHEDULING OF NEXT MEETING:** The next meeting of the Police Pension Board was scheduled for June 23, 2016, at 8:30 a.m. at City Hall.

**AGENDA #10 ADJOURN:** The meeting of the Police Pension Board adjourned at 8:58 a.m.

Brian Nuttall  
Secretary