

City of Olney
Police Pension Board Meeting
August 17, 2017

AGENDA #1 CALL TO ORDER: Sergeant Brian Nuttall called to order the City of Olney Police Pension Board meeting for August 17, 2017, at 8:32 a.m.

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

AGENDA #3 APPROVE MINUTES FROM POLICE PENSION BOARD MEETING ON JUNE 22, 2017: The Board was provided with the minutes from June 22, 2017. Mr. Runyon moved to approve the minutes from June 22, 2017, seconded by Mr. Brooks. A majority affirmative voice vote was received.

AGENDA #4 AMERICAN FUNDS UPDATE/DISCUSSION: Phil Haning from American Funds was present to speak with the Police Pension Board. Mr. Haning told that the Police Pension Fund was well-diversified, and he felt comfortable with the Fund's current position. The market had been moving towards non-American stocks. He continued that volatility in the market was extremely low.

Mr. Haning then told the Board that within his position at American Funds, he did not buy stocks simply to buy stocks, but only buys when it seems appropriate. In Mr. Haning's opinion, the Police Pension Fund owned a high credit portfolio.

While interest rates were remaining low, Mr. Haning indicated that rates in America were higher than anywhere else.

Mr. Runyon asked if the Board should emphasize the Global Fund more in future investments. Mr. Haning felt that would be a good idea. Changing the emphasis would allow for more flexibility. Mr. Haning felt that available funds could be placed in Global Growth and Growth portfolios. Currently, the Police Pension Fund investments with American Funds were roughly 24% international overall. Mr. Haning felt that percentage could be increased somewhere between 30% and 33% in the current environment.

Mr. Haning exited the meeting at 8:49 a.m.

AGENDA #5 TREASURER'S REPORT:

5-A "Discussion: Income and Expense May 1, 2017 – July 31, 2017" The Board was provided with an income and expense statement for May 1, 2017 – July 31, 2017. Mrs. Guinn stated that income from May 1, 2017, through July 31, 2017, totaled \$35,803.64. Expenses for the same time period came in at \$155,757.80. Mrs. Guinn continued that 3 CDs had recently matured, and the first installment of real estate taxes had been received.

Mrs. Guinn felt that if the Board desired, they could invest \$412,077.07. She continued that another CD was set to mature in November, and that the remaining installments of real estate taxes should also be received by then.

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5-B “Discussion: Investment Schedule and Maturities” The Board was provided with a current Investment Schedule. Mrs. Guinn pointed out that variables showed a percentage of 46.4%, and should be readjusted at the next meeting to be at or below the 45% cap. It was noted that LaNae Mitchell would eventually readjust the variable percentage at some point, if the Board never directed her to do so.

Mrs. Guinn had also disbursed a listing of current CD investment options. Mr. Runyon asked where money could be invested into a CD that would fit into the Board’s ladder plan. Mrs. Guinn replied that years 2020 and 2021 could be filled.

The Board then went on to Agenda Item #7 “Authorize Any Investments.” Mr. Runyon commented that it would be his preference to not invest all of the funds available because he felt the federal interest rates would increase by the end of the year. He felt that taking \$250,000.00 and placing it into a CD with a maturity date of 2022 would be advisable. Later in the year, the Board could then look at another CD that would mature in 2021. Hopefully, better interest rates would be available by then. The Board agreed.

Mrs. Guinn pointed out that if more than \$250,000.00 stayed in the money market account, the .35% interest rate would stay. If an amount between \$100,000.00 to \$250,000.00 remained in the money market account, then the new rate of .25% would apply.

Mr. Runyon moved to invest \$250,000.00 in a five year, 2.35% CD at Edward Jones with a maturity date in 2022, seconded by Mr. Brooks. A majority affirmative voice vote was received.

Mrs. Mitchell commented that the Board also had the option to exchange some funds from the Balanced portfolio to Growth & Income, if the Board did desire more international exposure.

Mrs. Mitchell continued that the year-to-date numbers showed an 11.5% return. Within the last 18 months, the portfolio experienced a phenomenal \$450,000.00 growth.

Mr. Runyon asked if any other funds should also be transferred to the Global Growth Fund. Mrs. Mitchell replied that some monies from Growth & Income could be transferred to Global Growth. Sergeant Schlick commented that he would like to see 30% go into Global Growth.

Mr. Brooks moved to transfer \$100,000.00 from Growth & Income to Global Growth and to move \$23,000.00 from Balanced to Global Growth, seconded by Sergeant Schlick. A majority affirmative voice vote was received.

AGENDA #6 EDWARD JONES: UPDATE/DISCUSSION: Discussion and updates from Edward Jones were covered under Agenda #5.

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AGENDA #7 AUTHORIZE ANY INVESTMENT: Action on this item was taken under Agenda #5.

AGENDA #8 PUBLIC COMMENTS/PRESENTATIONS: No one from the public was present.

AGENDA #9 SCHEDULING OF NEXT MEETING: The next meeting of the Police Pension Board was scheduled for November 16, 2017, at 8:30 a.m. at City Hall.

AGENDA #10 ADJOURN: Mr. Brooks moved to adjourn, seconded by Mr. Runyon. A majority affirmative voice vote was received. The meeting of the Police Pension Board adjourned at 9:11 a.m.

Gregg Brooks
Secretary