

CITY OF OLNEY  
FIRE PENSION BOARD  
AUGUST 30, 2016

AGENDA #1 “CALL TO ORDER” The City of Olney Fire Pension Board met in the Fire Station at 9:01 a.m. on August 30, 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 Captain Mike Hill. Dave Lobacz was absent. City Clerk Kelsie Sterchi and Assistant City Treasurer Jane Guinn were also present.

AGENDA #3 “APPROVE MINUTES FROM FIRE PENSION BOARD MEETING ON JUNE 21, 2016” Firefighter Beam moved to approve the Fire Pension Board minutes from June 21, 2016, seconded by Mr. Sanders. A majority affirmative voice vote was received.

Firefighter Beam exited the meeting at 9:04 a.m. and returned at 9:05 a.m.

AGENDA #4 “TREASURER’S REPORT”

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

Mr. Sanders told the Board that the first installment of the Fire Pension tax levy had been received in the amount of \$54,806.49. Two more installments would yet be received. Mr. Sanders had no concerns thus far in revenues or expenses.

Mr. Sanders went on to report that Kemper CPA Group was working on the annual report. The report is due by the end of October. After the report is filed, actuarial reports from the State and Art Tepfer would be generated.

Mr. Sanders then explained that the Fire Pension Board had \$150,000.00 available to invest with the Fund total at \$2,223,585.58.

4-B “Discussion: Investment Schedule and Maturities” The Board was provided with an investment schedule as of July 31, 2016.

Mr. Sanders pointed out that the equity part of the investments was at a percentage of 10.65%. While the limit on investment in equities is 10%, the additional .65% of growth was no issue, but the Board could not invest any more into equities.

A CD at TrustBank was set to mature in January of 2017. The total fixed annuities at Investment Centers of America was at \$421,184.00, and a CD had also recently matured with them in the amount of \$100,000.00. The money market account at Citizens National Bank was at

\$185,118.65. The money market account was where the Investment Centers of America matured CD monies were placed. Morgan Stanley's total investment was listed at \$1,353,252.58.

Captain Hill noted that a Morgan Stanley CD was set to come due in November of 2016.

Mr. Sanders then distributed a listing of CD rate comparisons between the local banks, Investment Centers of America, and Morgan Stanley. While CD rates were unimpressive, Mr. Sanders recommended investing the funds into one or more CDs.

Mr. Sanders had also been under the impression that training requirements for the Fire Pension Board were being decreased. Unfortunately, Mr. Sanders could not find that the requirements had yet been decreased at all. Mr. Sanders would soon be in touch with the local trainer on dates that he may be available to administer a training.

The Illinois Department of Insurance requires the Fire Pension Fund to submit security authorization forms. Mr. Sanders indicated that he, Captain Hill, and Mr. Smith had signed the forms to renew Mr. Sanders as the security administrator. This title allows Mr. Sanders to file the annual report, make any amendments, and retrieve the report at any time.

Kemper CPA Group had also recently completed the 2015/2016 audit. Kemper had not made any new findings or qualifications. While the audit does not necessarily audit the pension plans, the audit does review the plans. An actual audit of pension plans is done by the Illinois Department of Insurance.

AGENDA #5 "MORGAN STANLEY INVESTMENTS - ERIC LAUGHLIN CONFERENCE CALL" Mr. Sanders began the conference call with Eric Laughlin at 9:15 a.m.

Mr. Laughlin explained his second quarter report. The United States' economy was showing slow growth. Britain's recent decision to leave the European Union had caused some initial concern in the market, but was leveling off.

Mr. Laughlin recommended that funds available to invest be placed in a CD for about one year. Perhaps after a year's time, interest rates would have improved.

Mr. Sanders asked if Mr. Laughlin had heard of any changes to the training requirements. Mr. Laughlin had not yet heard of any changes.

Mr. Sanders reminded the Board that Mr. Laughlin usually physically attends the Fire Pension Board meeting held in October. Based on everyone's schedules, October 25, 2016, would be the best date for the October meeting.

Mr. Sanders finished the conference call at 9:28 a.m.

AGENDA #6 “INVESTMENT CENTERS OF AMERICA INVESTMENTS - KATIE FEHRENBACHER” Firefighter Beam exited the meeting at 9:33 a.m. and returned at 9:34 a.m.

Katie Fehrenbacher was present. Ms. Fehrenbacher also recommended investing available funds into a 12 or 18 month CD, however Ms. Fehrenbacher recommended only investing \$100,000.00 at this time. The remaining \$50,000.00 could stay in the Citizens National Bank money market account.

AGENDA #7 “AUTHORIZE ANY NEW INVESTMENTS OF FUNDS” Mr. Smith moved to invest \$100,000.00 into 12 or 18 month CD with Investment Centers of America, and to not invest the remaining \$50,000.00 at this time, seconded by Captain Hill. A majority affirmative voice vote was received.

AGENDA #8 “PUBLIC COMMENTS/PRESENTATION” No one from the public was present.

AGENDA #9 “SCHEDULING OF NEXT MEETING” The next meeting of the Fire Pension Board was scheduled for October 25, 2016, at 1:30 p.m. at the Fire Station.

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

The Fire Pension meeting adjourned at 9:35 a.m.

Clarence Smith  
Secretary