

CITY OF OLNEY
FIRE PENSION BOARD
JANUARY 13, 2021

AGENDA #1 CALL TO ORDER The City of Olney Fire Pension Board met in the Fire Station at 9:00 a.m. on November 5, 2020, with Firefighter Daron Harmon presiding.

AGENDA #2 ROLL CALL The following members were physically present: Firefighter Daron Harmon, Firefighter Robert Sakowicz, Retired Firefighter Clarence Smith, and City Treasurer Jane Guinn. City Clerk Kelsie Sterchi was also present.

Several State of Illinois Executive Orders allowed for attendance to take place via video, audio, and/or telephonic means as the COVID-19 crisis continues. Leon Stallard joined later in the meeting via video/audio.

AGENDA #3 ELECTION OF OFFICERS Mrs. Guinn informed the Board that Taylor Akers had resigned from the Fire Department and Fire Pension Board. Mr. Akers had also been President of the Fire Pension Board, therefore a new President would need to be selected.

Mrs. Guinn then explained that Mr. Smith had also expressed his desire to resign from the Board. Before that could happen, an election would need to take place amongst the retired firefighters to select a new member. Mrs. Guinn would send such notice to the three eligible individuals and then an election would take place.

Firefighter Harmon nominated Firefighter Sakowicz as Vice President. There were no objections or other nominations for Vice President.

Firefighter Sakowicz nominated Firefighter Harmon as President. There were no objections or other nominations for President.

Mrs. Guinn reminded the Board that by statute, she would have to hold the position of Treasurer. She also recalled that Mr. Stallard could not hold a formal title within the Board due to restrictions with his employment.

Firefighter Harmon nominated Mr. Smith as Secretary until a new retired firefighter was selected for the Board. At that time, the new member would assume the position of Secretary. There were no objections or other nominations for Secretary.

Mrs. Guinn moved to elect officers per the presented nominations, seconded by Firefighter Sakowicz. Mr. Smith, Mrs. Guinn, Firefighter Harmon and Firefighter Sakowicz voted yes. There were no opposing votes. The motion carried.

AGENDA #4 APPROVE MINUTES FROM FIRE PENSION BOARD MEETING ON NOVEMBER 5, 2020 Mr. Stallard joined the meeting at 9:05 a.m.

Firefighter Sakowicz moved to approve the Fire Pension Board minutes from November 5, 2020, seconded by Firefighter Harmon. Mr. Smith, Mrs. Guinn, Firefighter Harmon, Mr. Stallard, and Firefighter Sakowicz voted yes. There were no opposing votes. The motion carried.

AGENDA #5 TREASURER'S REPORT

5-A "Discussion: Income and Expense May 1, 2020 – December 31, 2020" The Board was provided with a copy of an income and expense statement from May 1, 2020, through December 31, 2020.

Mrs. Guinn reported that as of December 31, 2020, a total of \$261,475.77 in income was received. That would be the majority of the expected income for the remainder of the fiscal year. Expenses had also totaled \$214,535.87.

Mrs. Guinn expected to need nine months worth of pension payments on hand since no more income would be received until the tax levy payment in the summer. Overall, Mrs. Guinn believed that the Board could invest about \$500,000.00, if desired.

5-B "Discussion: Investment Schedule and Maturities" The Board was provided with an investment schedule as of January 12, 2021. There were no questions or comments regarding the investment schedule.

AGENDA #6 MORGAN STANLEY INVESTMENTS – ERIC LAUGHLIN The conference call with Eric Laughlin began at 9:07 a.m.

Mr. Laughlin discussed how the markets had been reacting as a result of the 2020 elections, and reminded the Board that they could still invest up to 45% into equities.

Mr. Laughlin then reported that November of 2020 was the best month seen in the markets since 1987. The Fire Pension Board's investments were up almost 30% in 2020 due to good timing decisions.

For the time being, markets seemed to be content. Mr. Laughlin added that some pullbacks would be healthy. Overall, Mr. Laughlin believed to still be in a secular bull market.

Mr. Laughlin then gave a brief overview of the 4th Quarter 2020 Report. The investments had earned a 4.59% return QTD and a 6.87% return YTD.

Currently, 29.2% was invested into equities. Mr. Laughlin recommended adding 5% more into equities which would equal about \$175,000.00. It was recommended that funds be pulled from cash and invested across the mutual funds.

Mr. Stallard asked if Mr. Laughlin would recommend investing into any domestics. Mr. Laughlin replied that Morgan Stanley was no longer allowed to add to Vanguard. Other than Vanguard, Mr. Laughlin recommended investing across the American mutual funds.

AGENDA #7 DISCUSSION/APPROVE ANY INVESTMENTS Mr. Stallard moved to invest 5% from cash into equities, across the American mutual funds, seconded by Firefighter Sakowicz. Mr. Smith, Mrs. Guinn, Firefighter Harmon, Mr. Stallard, and Firefighter Sakowicz voted yes. There were no opposing votes. The motion carried.

Mrs. Guinn then told Mr. Laughlin that she would have new officer forms signed today and sent back to his office.

The conference call ended at 9:21 a.m.

Mrs. Guinn then wanted to make the Board aware of an issue with the Voya annuity. Due to Voya requirements, an individual's name had to be listed on an annuity versus an organization or fund. At that time, prior Fire Chief Mike Hill's name was placed. Mrs. Guinn tried to get the name changed on that annuity, but it is not allowed. The annuity would come due next year, and the Board would just need to be patient. Mrs. Guinn added that by the time the annuity would come due, it would be likely that the State would have already taken over investments.

Firefighter Harmon asked if Mr. Hill had any legal rights to the annuity. Mrs. Guinn replied that Mr. Hill did not.

AGENDA #8 APPROVAL TO CHANGE BANK & INVESTMENT SIGNATURE CARDS AND PURCHASE A NEW SIGNATURE STAMP Because of the change in Fire Pension Board officers, a new signature stamp would be needed in order to issue payments. Additionally, new signature cards at TrustBank and First National Bank would be needed.

Firefighter Harmon moved to approve changing bank and investment signature cards and to also purchase a new signature stamp, seconded by Firefighter Sakowicz. Mr. Smith, Mrs. Guinn, Firefighter Harmon, Mr. Stallard, and Firefighter Sakowicz voted yes. There were no opposing votes. The motion carried.

AGENDA #9 AUTHORIZE WITHDRAWAL OF PENSION CONTRIBUTIONS FOR TAYLOR AKERS Mr. Akers resigned from the Fire Department as of November 23, 2020. Because Mr. Akers had not been vested, he could only request withdrawal of his contributions into the Fire Pension Fund. Mr. Akers requested a withdrawal of \$42,306.56.

Firefighter Sakowicz moved to authorize withdrawal of \$42,306.56 in pension contributions for Taylor Akers, seconded by Mr. Smith. Mr. Smith, Mrs. Guinn, Firefighter Harmon, Mr. Stallard and Firefighter Sakowicz voted yes. There were no opposing votes. The motion carried.

AGENDA #10 APPROVE APPLICATION FOR MEMBERSHIP INTO FIRE PENSION FUND FOR ROBERT SAKOWICZ Firefighter Sakowicz had been hired to fill Mr. Akers' vacancy. As such, Firefighter Sakowicz had applied for membership into the Fire Pension Fund.

Firefighter Harmon moved to approve the application for membership into the Fire

Pension Fund for Robert Sakowicz, seconded by Mr. Smith. Mr. Smith, Mrs. Guinn, Firefighter Harmon, Mr. Stallard and Firefighter Sakowicz voted yes. There were no opposing votes. The motion carried.

AGENDA #11 AUTHROIZE PAYMENT/REIMBURSEMENT OF INVOICES Mrs. Guinn was in receipt of two invoices that needed to be paid. The first invoice was for fiduciary liability insurance in the amount of \$9,633.00. This amount showed a 3% increase over the prior year. The second invoice was from Frontier Community College for training for Firefighter Harmon and Mr. Stallard. This invoice was in the amount of \$264.00.

Firefighter Sakowicz moved to authorize payment of the invoices as presented, seconded by Mr. Smith. Mr. Smith, Mrs. Guinn, Firefighter Harmon, Mr. Stallard and Firefighter Sakowicz voted yes. There were no opposing votes. The motion carried.

AGENDA #12 UPDATE: STATE OF ILLINOIS CONSOLIDATION OF DOWNSTATE PENSION PLANS Mrs. Guinn stated that the consolidation of the downstate Fire Pension Funds was expected to be completed either in late summer or fall of 2021.

Firefighter Harmon had also been contacted by some individuals to provide information on the consolidation. He was told that the Board would be kept up-to-date on the transition of assets, the timeline, rules being established, and the investment companies that would be taking over the Fund. Firefighter Harmon had also advised the individuals to get into contact with Mrs. Guinn.

AGENDA #13 PUBLIC COMMENTS/PRESENTATIONS No one from the public was present.

AGENDA #14 SCHEDULING OF NEXT MEETING It was determined that the previously scheduled meeting for February would no longer be needed. Instead, the next meeting of the Fire Pension Board would be held on March 18, 2021.

AGENDA #15 ADJOURN Mrs. Guinn moved to adjourn, seconded by Firefighter Sakowicz. Mr. Smith, Mrs. Guinn, Firefighter Harmon, Mr. Stallard and Firefighter Sakowicz voted yes. There were no opposing votes. The motion carried.

The Fire Pension meeting adjourned at 9:31 a.m.

Clarence Smith
Secretary

