

CITY OF OLNEY
FIRE PENSION BOARD
MARCH 18, 2021

AGENDA #1 CALL TO ORDER The City of Olney Fire Pension Board met in the Fire Station at 9:00 a.m. on March 18, 2021, with Firefighter Daron Harmon presiding.

AGENDA #2 ROLL CALL The following members were physically present: Firefighter Daron Harmon, Firefighter Robert Sakowicz, Retired Firefighter (Interim Fire Chief) Rusty Holmes, Leon Stallard and City Treasurer Jane Guinn. City Clerk Kelsie Sterchi was also present.

AGENDA #3 ACKNOWLEDGE ELECTION OF RUSTY HOLMES TO FIRE PENSION BOARD & ACTION ON ELECTING A SECRETARY Prior Fire Chief Rusty Holmes had retired as a full-time Fire Chief in 2016. For a few months, Mr. Holmes had also been serving the Fire Department as an Interim Part-Time Fire Chief following Michael Hill Jr.'s resignation.

Interim Chief Holmes was still eligible for his Firefighter's Pension while still serving part-time. Retired Firefighter Clarence Smith had resigned from the Fire Pension Board. Because of this, an election was held among the retired firefighters. They elected Interim Chief Holmes to serve on their behalf on the Fire Pension Board.

The Fire Pension Board acknowledged Interim Chief Holmes' election to the Board.

Retired Firefighter Clarence Smith had been serving the Board as Secretary. The Board would need to at least elect a new Secretary.

Firefighter Harmon moved to elect Interim Chief Holmes as Secretary, seconded by Mrs. Guinn. A majority affirmative voice vote was received.

AGENDA #4 APPROVE MINUTES FROM FIRE PENSION BOARD MEETING ON JANUARY 13, 2021 Mrs. Guinn moved to approve the Fire Pension Board minutes from January 13, 2021, seconded by Firefighter Sakowicz. A majority affirmative voice vote was received.

AGENDA #5 TREASURER'S REPORT

5-A "Discussion: Income and Expense May 1, 2020 – February 28, 2021" The Board was provided with a copy of an income and expense statement from May 1, 2020, through February 28, 2021.

Mrs. Guinn reported that so far, \$265,379.69 had been received in income compared to the budgeted \$294,833.00. Gains on investments had yet to be received, but Mrs. Guinn believed that the income would come in close to budget.

With expenses, a total of \$268,286.87 had been paid out compared to the budgeted \$219,006.00. Mrs. Guinn expected that the expense portion of the budget would end unfavorably due to an unexpected \$42,306.56 in pension reimbursements.

Mrs. Guinn expected to need six months worth of pension payments on hand. A tax levy payment would not be received until August or September. The Board could invest up to \$386,553.23, if desired.

5-B “Discussion: Investment Schedule and Maturities” The Board was provided with an investment schedule as of March 12, 2021.

Mrs. Guinn briefly went over the Investment Schedule. Currently, variable investments were coming in at 36% within the 45% cap. The Fund currently held \$2,538,599.91.

Mr. Stallard asked if there was any additional word received about when the State would formally take over the Fund. Mrs. Guinn and Mr. Harmon had not heard about a specific date, but the last information received hoped to have the Fire Pension Funds set up by mid-Summer.

As Interim Chief Holmes had just joined the Board, Mrs. Guinn and Mr. Harmon updated him on information related to the consolidation of the downstate pension funds.

AGENDA #6 MORGAN STANLEY INVESTMENTS – ERIC LAUGHLIN The conference call with Eric Laughlin began at 9:11 a.m.

Mr. Laughlin told the Board that Morgan Stanley had purchased Eaton Vance. The Fire Pension Board had been utilizing Eaton Vance as an investment manager through Morgan Stanley. Due to the acquisition, the Board could no longer use Eaton Vance for this management as it would be a conflict of interest. Mr. Laughlin recommended that the Board switch to Weaver/Barksdale for investment management. Weaver/Barksdale had a good track record, was used by several other pension funds, and would cost less money.

Mr. Laughlin then felt that the Board could invest some more into equity. A pullback was anticipated to be somewhere on the horizon, but no one could predict when that would happen.

Mr. Laughlin recommended investing a total of \$75,000.00 in to equities. Of that \$75,000.00, he would recommend investing \$45,000.00 into Washington Mutual, \$20,000.00 into Small World, and \$10,000.00 into New World Emerging Markets.

Mr. Harmon asked what percentage of equity investment that the additional funds would total. Mr. Laughlin replied that would bring the investment percentage to 40%.

Mr. Harmon then asked if any penalties would be issued if the equity investment percentage grew higher than 45%. He wanted to be sure any assessed penalties would not negate the effort of additional equity investment. Mr. Laughlin indicated that various attorneys advised that equity percentages over 45% would not be penalized if the overage was due to returns.

AGENDA #7 DISCUSSION/APPROVE ANY INVESTMENTS Mr. Stallard moved to invest a total of \$75,000.00 into equities as recommended above by Mr. Laughlin, seconded by

Firefighter Sakowicz. A majority affirmative voice vote was received.

AGENDA #8 DISCUSSION/POSSIBLE ACTION: APPROVE WEAVER/BARKSDALE AS INVESTMENT MANAGER TO REPLACE EATON VANCE Interim Chief Holmes moved to approve Weaver/Barksdale as investment manager to replace Eaton Vance, seconded by Mr. Stallard. A majority affirmative voice vote was received.

The conference call ended at 9:22 a.m.

AGENDA #9 APPROVE 2021-2022 FIRE PENSION BUDGET The Board reviewed the proposed Fire Pension Budget for 2021-2022. Unless there were concerns, Mrs. Guinn would present the budget to the Council at their March 22nd meeting. The proposed budget was similar to the prior years with no big changes.

Firefighter Sakowicz moved to approve the 2021-2022 Fire Pension Budget, seconded by Mr. Stallard. A majority affirmative voice vote was received.

AGENDA #10 UPDATE: STATE OF ILLINOIS CONSOLIDATED DOWNSTATE PENSION PLANS Mrs. Guinn had received an e-mail from the FPIF regarding rulemaking and how rules will be posted for public comment. She pointed out that the end of the e-mail gave information on how to sign up for FPIF's newsletter.

AGENDA #11 PUBLIC COMMENTS/PRESENTATIONS No one from the public was present.

AGENDA #12 SCHEDULING OF NEXT MEETING The next meeting of the Fire Pension Board would be held on June 17, 2021.

AGENDA #13 ADJOURN Mr. Stallard moved to adjourn, seconded by Firefighter Sakowicz. A majority affirmative voice vote was received.

The Fire Pension meeting adjourned at 9:28 a.m.

Rusty Holmes
Secretary