

CITY OF OLNEY  
FIRE PENSION BOARD  
MAY 1, 2018

AGENDA #1 "CALL TO ORDER" The City of Olney Fire Pension Board met in the Fire Station at 9:05 a.m. on May 1, 2018, with Dave Lobacz presiding.

AGENDA #2 "ROLL CALL" The following members were present at roll call: City Treasurer Jane Guinn, Retired Firefighter Clarence Smith, and Dave Lobacz. Firefighters Taylor Akers and Michael Pipher were absent. City Clerk Kelsie Sterchi was also present.

AGENDA #3 "APPROVE MINUTES FROM FIRE PENSION BOARD MEETING ON MARCH 27, 2018" Mrs. Guinn moved to approve the Fire Pension Board minutes from March 27, 2018, seconded by Mr. Smith. A majority affirmative voice vote was received.

AGENDA #4 "TREASURER'S REPORT"

4-A "Discussion: Income and Expense May 1, 2017 - March 31, 2018" The Board was provided with a copy of an income and expense statement from May 1, 2017, through March 31, 2018.

Mrs. Guinn explained that looking at income and expense numbers, the Fire Pension Fund appeared to be \$(76,219.13) unfavorable. By the end of the fiscal year, the Fund should be on-budget. Additionally, the City Council had recently agreed to contribute an additional \$100,000.00 to the Fire Pension Fund. Overall, the Fund would be favorable for the 2017/2018 year.

Looking out over the next few months, Mrs. Guinn felt that the Board would have \$150,000.00 available to invest.

4-B "Discussion: Investment Schedule and Maturities" The Board was provided with an investment schedule as of March 31, 2018.

Mrs. Guinn told that two CDs would be coming due from Morgan Stanley in November and December of 2018. The one coming due in November was in the amount of \$150,000.00, and the one coming due in December was in the amount of \$175,000.00.

Currently, the amount invested in variables was at 10.8%, due to returns. If making new investments today, the Board would need to do so into fixed.

Firefighter Ben Siemer entered the meeting at 9:09 a.m.

Mrs. Guinn also distributed a listing of current CD rates.

The Board then went on to discuss Agenda Item#6 “LPL Financial - Katie Fehrenbacher.”

AGENDA #5 “MORGAN STANLEY INVESTMENTS - ERIC LAUGHLIN” Mrs. Guinn began the conference call with Mr. Laughlin at 9:17 a.m.

Mr. Laughlin had sent the 1<sup>st</sup> Quarter Report for the Board’s review. Mr. Laughlin stated that the stock market during the last year had behaved strangely with no volatility. The coming year would be different, and certainly volatile.

At the beginning of the year, stocks immediately took off. The market had since corrected itself with a 10% pullback. The international markets would continue to be fairly strong for some time.

Mr. Laughlin continued to briefly detail each page of the report. At the end, he recommended taking \$10,000.00 from the American Growth Fund, and \$10,000.00 from the American Investment Company of America Fund to place into the American Euro Pacific Growth Fund.

Since Chuck Sanders had retired, Mrs. Guinn was the new City Treasurer. Mr. Laughlin would need an updated signatory form completed. He recommended that in addition to Mrs. Guinn, that two other Board members be signatories.

Mr. Laughlin then detailed some of the interest rates from Morgan Stanley CDs, and noted that the current Morgan Stanley CDs would be coming due later in 2018 and 2019. If investing into a CD, he recommended picking a two year CD, and having the Board allow him to find the best available rate.

Mr. Lobacz wondered if all \$20,000.00 going into International Equities should be taken out of the American Growth Fund instead. Mr. Laughlin felt that by doing that, the Growth account would be depleted faster than he would recommend.

The conference call ended at 9:39 a.m.

AGENDA #6 “LPL FINANCIAL - KATIE FEHRENBACHER” Ms. Fehrenbacher told the Board that a couple of CDs had matured with her investment center. After checks were issued, an amount of \$496.24 remained in the brokerage account, simply to keep it active.

Mr. Lobacz asked if there were costs associated with the brokerage account. Ms. Fehrenbacher replied that a \$25.00 per year fee would apply if there was no activity in the account.

Because the \$496.24 came from annuities, Mr. Lobacz asked who the annuitant was. Ms. Fehrenbacher replied that the annuitant was Fire Chief Mike Hill.

The Board then moved back up to discuss Agenda Item #5 “Morgan Stanley Investments - Eric Laughlin.”

AGENDA #7 “DISCUSSION/APPROVE ANY INVESTMENTS” Mr. Lobacz moved to transfer \$10,000.00 from the Morgan Stanley American Growth Fund, and \$10,000.00 from the Morgan Stanley American Investment Company Fund to the American Euro Pacific Growth Fund, seconded by Mr. Smith. A majority affirmative voice vote was received.

Mr. Smith moved to invest \$75,000.00 into a 13 month, 2.25%, CD with LPL Financial, and invest \$75,000.00 into a 18 month, 2.40%, CD with LPL Financial, seconded by Mr. Lobacz. A majority affirmative voice vote was received.

Ms. Fehrenbacher exited the meeting at 9:47 a.m.

AGENDA #8 “ACCEPT THE APPOINTMENT OF JANE GUINN TO THE FIRE PENSION BOARD AS OF MAY 1, 2018” After some discussion, it was determined that the Board had no issues with Agenda Items #8, #9, or #10, so they would take action on all items at once.

Mr. Lobacz moved to accept the appointment of Jane Guinn to the Fire Pension Board, appoint Jane Guinn as the Fire Pension Board Treasurer, and to authorize Jane Guinn as a signatory for all Fire Pension accounts, seconded by Mr. Smith. A majority affirmative voice vote was received.

AGENDA #9 “APPOINT JANE GUINN AS FIRE PENSION BOARD TREASURER AS OF MAY 1, 2018” Action on this topic was taken under Agenda Item #8.

AGENDA #10 “AUTHORIZE NEW FIRE PENSION BOARD TREASURER AS SIGNATORY FOR FIRE PENSION ACCOUNTS” Action on this topic was taken under Agenda Item #8.

AGENDA #11 “AUTHORIZE ART TEPFER’S CONSULTING FIRM TO PERFORM THE 2018 ACTUARIAL VALUATIONS” Mrs. Guinn recommended that the Fire Pension Board

again utilize Art Tepfer as a third party actuary in the coming year. Mr. Tepfer would be keeping his fee at \$2,000.00.

Mrs. Guinn moved to authorize Art Tepfer's consulting firm to perform the 2018 actuarial valuations, seconded by Mr. Lobacz. A majority affirmative voice vote was received.

AGENDA #12 "ELECTION OF OFFICERS" Current officers were as follows: President-Firefighter Michael Pipher, Vice President-Firefighter Taylor Akers, Secretary-Clarence Smith, Assistant Secretary-Dave Lobacz, Treasurer-Jane Guinn.

Mrs. Guinn recommended keeping the same roster of officers so that signatory forms and stamps would not need to be changed.

Mr. Lobacz moved to keep the officer roster as listed above, seconded by Mrs. Guinn. A majority affirmative voice vote was received.

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

AGENDA #14 "SCHEDULING OF NEXT MEETING" The next meeting of the Fire Pension Board was scheduled for August 21, 2018, at 9:00 a.m.

AGENDA #15 "ADJOURN" Mr. Smith moved to adjourn, seconded by Mr. Lobacz. A majority affirmative voice vote was received.

The Fire Pension meeting adjourned at 9:57 a.m.

Clarence Smith  
Secretary