

CITY OF OLNEY  
FIRE PENSION BOARD  
MARCH 27, 2018

AGENDA #1 “CALL TO ORDER” The City of Olney Fire Pension Board met in the Fire Station at 9:07 a.m. on March 27, 2019, with Firefighter Michael Pipher presiding.

AGENDA #2 “ROLL CALL” The following members were present at roll call: City Treasurer Chuck Sanders, Firefighter Taylor Akers, and Firefighter Michael Pipher. Clarence Smith was absent. Dave Lobacz entered the meeting after the Treasurer’s Report. Assistant City Treasurer Jane Guinn, and City Clerk Kelsie Sterchi were also present.

AGENDA #3 “APPROVE MINUTES FROM FIRE PENSION BOARD MEETING ON DECEMBER 18, 2017” Mr. Sanders moved to approve the Fire Pension Board minutes from December 18, 2017, seconded by Firefighter Akers. A majority affirmative voice vote was received.

AGENDA #4 “TREASURER’S REPORT”

4-A “Discussion: Income and Expense May 1, 2017 - February 28, 2018” The Board was provided with a copy of an income and expense statement from May 1, 2017, through February 28, 2018.

Mr. Sanders began by telling the Board that he would be resigning as the City Treasurer with his last day of employment being April 30, 2018. Mrs. Guinn had recently been appointed as the new City Treasurer and new Fire Pension Board member upon Mr. Sanders’ departure.

Mrs. Guinn told the Board that at the moment, the Fire Pension Fund was favorable to the budget by \$7,698.19, but she expected that at the end of the fiscal year, the budget would be unfavorable by (\$66,394.00).

Looking out six months, Mrs. Guinn expected to receive \$13,000.00 in employee contributions and Corporate Replacement Tax. A CD had also matured on March 8, 2018, in the amount of \$100,000.00. Total cash available totaled \$284,087.88.

Mrs. Guinn advised the Board that an amount of \$62,000.00 could be safely invested, but she recommended leaving that amount in the First National Bank money market account for the time being. The money market account was still earning one per cent.

4-B “Discussion: Investment Schedule and Maturities” The Board was provided with an investment schedule as of February 28, 2018.

Other than the CD that matured earlier in the month, no more CDs were scheduled to mature in 2018 until November and December.

Because the amount invested in variables was at 10.86%, if the Board did choose to make an investment, the investment would need to be fixed.

Firefighter Akers moved to approve the Treasurer's Report, seconded by Mr. Sanders. A majority affirmative voice vote was received.

Mr. Lobacz entered the meeting at 9:13 a.m.

AGENDA #5 "DISCUSSION/APPROVE ANY INVESTMENTS" The Board did not wish to make any investments at this time.

AGENDA #6 "APPROVE PENSION PAYMENT INCREASES" Each year, the State mandates that pension recipients receive a three per cent increase. Currently, five people were receiving Fire Pension payments, however, only three were eligible for the increases.

Firefighter Akers asked why all recipients were not eligible for the increase. Mrs. Guinn replied that surviving spouses were not eligible, and retirees needed to be receiving payments for a certain length of time before receiving increases.

Firefighter Akers moved to approve the three per cent Fire Pension payment increases to eligible recipients, seconded by Mr. Lobacz. A majority affirmative voice vote was received.

AGENDA #7 "AUTHORIZE ACQUIRING NEW SIGNATURE STAMPS" Mrs. Guinn would be the new Treasurer of the Fire Pension Board as of May 1, 2018. Because of this, new signature stamps would be needed with her and Fire Pension President's signatures. The price of the stamps should be between \$15.00 and \$25.00.

Mr. Sanders added that Mrs. Guinn would also be changing the signatory cards at the local banks, effective for May 1, 2018.

Firefighter Pipher moved to approve the expenditure of up to \$25.00 per stamp for new signature stamps, seconded by Mr. Lobacz. A majority affirmative voice vote was received.

AGENDA #8 "DISCUSS AND ACT ON FIRE PENSION 2018/2019 PROPOSED BUDGET" The Board was provided with a copy of the proposed 2018/2019 Fire Pension budget.

The first page detailed revenue. Most of the revenue would be received from the Fire Pension Tax Levy in the amount of \$141,500.00. An amount of \$8,372.00 was expected to be received from Corporate Replacement Tax, and an amount of \$20,250.00 was expected to be received from employee contributions. The remaining revenues were estimates on investments.

The second page detailed expenditures. Pension payments were expected to be \$245,591.00. The remaining expenditures were for audit fees, compliance fees, fiduciary insurance, actuary services, and investment services. The proposed budget anticipated an unfavorable amount of (\$61,622.00)

Noting the expected unfavorable amount, Mr. Sanders told the Board that in April, he would be recommending that the Council make a \$100,000.00 infusion to the Fire Pension Fund from the General Fund.

Additionally, when taxes are levied for the Fire Pension, it is based on actuarial reports that have been received. The Board receives actuarial reports from the State, and from a third party actuary. In future actuary reports, the fact that the budgets are running negative would need to be addressed in the actuarial calculations.

The Police Pension Fund was able to turn a favorable budget. A large part of that was due to the Police Pension Fund being at least \$2,500,000.00, which allowed for up to 45% investment in equities. Until that point, the Fire Pension Fund was only able to invest 10% into equities.

Mr. Lobacz asked if there was a payout list that he could review. Mrs. Guinn provided a listing of retirees and the calculations made to come up with their payments.

Looking at the projected 2017/2018 amount for pension payments, Mr. Lobacz wondered why the proposed budget for 2018/2019 did not show a three per cent increase. Mrs. Guinn replied that the amount for 2018/2019 did not total three per cent because not all retirement payees were eligible to receive the three per cent increase.

Firefighter Pipher recalled that certain tax levies had differing caps on what could be levied. Mr. Sanders confirmed. Tax levies on pension increases were not capped, but if a five per cent increase was proposed, a public hearing would be needed. Several line items in the levy, however, did have caps.

Mr. Lobacz wondered how much of the total tax levy included pensions. Mr. Sanders replied that the three pension funds made up approximately 50% of the total tax levy.

Mr. Lobacz moved to recommend to the City Council approval of the Fire Pension 2018/2019 proposed budget, seconded by Firefighter Pipher. A majority affirmative voice vote was received.

AGENDA #9 “PUBLIC COMMENTS/PRESENTATIONS” No one from the public was present.

AGENDA #10 “SCHEDULING OF NEXT MEETING” The next meeting of the Fire Pension Board was scheduled for May 1, 2018, at 9:00 a.m.

AGENDA #11 “ADJOURN” Firefighter Pipher moved to adjourn, seconded by Mr. Sanders. A majority affirmative voice vote was received.

The Fire Pension meeting adjourned at 9:33 a.m.

Dave Lobacz  
Assistant Secretary