

City of Olney
Police Pension Board Meeting
March 23, 2017

AGENDA #1 CALL TO ORDER: Rick Runyon called to order the City of Olney Police Pension Board meeting for March 23, 2017, at 8:30 a.m.

AGENDA #2 ROLL CALL: The following were present: Sergeant Brian Nuttall, Rick Runyon, and Sergeant Josh Schlick. Gregg Brooks and Mike Uhl were absent. City Treasurer Charles Sanders, Assistant City Treasurer Jane Guinn, and City Clerk Kelsie Sterchi were also present.

AGENDA #3 APPROVE MINUTES FROM POLICE PENSION BOARD MEETING ON DECEMBER 8, 2016: The Board was provided with the minutes from December 8, 2016. Sergeant Schlick moved to approve the minutes from December 8, 2016, seconded by Sergeant Nuttall. A majority affirmative voice vote was received.

AGENDA #4 TREASURER'S REPORT:

4-A "Discussion: Income and Expense May 1, 2016 – February 28, 2017" The Board was provided with an income and expense statement for May 1, 2016 – February 28, 2017.

Mr. Sanders reported that as of the end of February, Police Pension Fund Revenue reached \$730,042.22. The anticipated full year budget for revenue was \$727,360.00. The Police Pension Fund Expenses as of the end of February were \$491,431.44. Mr. Sanders felt that expenses were on budget to the expected \$594,077.00 for the year.

Mr. Sanders had listed \$115,014.48 as the amount available to invest.

Current cash on hand was \$411,222.86, and was sitting in the money market account at Citizens National Bank. Looking out four months, Mr. Sanders felt that approximately \$200,000.00 would be needed to make the monthly pension payments. With that being said, Mr. Sanders recommended only investing \$100,000.00.

4-B "Discussion: Investment Schedule and Maturities" The Board was provided with an investment schedule as prepared by Mr. Sanders.

Mr. Sanders mentioned that he and Sergeant Nuttall had met with LaNae Mitchell of Edward Jones to discuss the current investments, and get her recommendations on any additional investments. Mrs. Mitchell recommended investing \$100,000.00 in American Funds Growth and Income in the Fixed Annuity/Mutuals category. The equity to fixed ratio would be 79%/21%. If invested here, this would take equity investments to 45%, which was the cap set by State statute. Another option could be to invest the \$100,000.00 into a CD with a maturity scheduled for 2019 or 2020.

Mr. Runyon felt that the 45% cap would still be reached as soon as the fund received any dividends or other income. He thought a one or two year CD would be appropriate.

It was then noted by Mr. Sanders that if equities went above 45% due to earnings, the Board would be able to rebalance later in the year.

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Sergeant Nuttall felt that bringing the percentage of equity investment to 45% as soon as possible would be the best idea. The Board could then rebalance the distributions in the Fall. Sergeant Schlick agreed. Mr. Runyon added that CD rates would most likely go up by Fall.

Sergeant Schlick moved to invest \$100,000.00 with Edward Jones in the American Funds Growth and Income Fixed Annuity/Mutuals category, seconded by Sergeant Nuttall. A majority affirmative voice vote was received.

AGENDA #5 DISCUSSION/PRESENTATION: INVESTMENT ADVISOR: No investment advisors were present at this meeting.

AGENDA #6 AUTHORIZE ANY NEW INVESTMENTS OF FUNDS: This topic was discussed and acted upon under Agenda #4.

AGENDA #7 DISCUSSION/POSSIBLE ACTION: PRELIMINARY POLICE PENSION BUDGET FOR FISCAL YEAR 2017/2018: Mr. Sanders disbursed a copy of the preliminary Police Pension budget for fiscal year 2017/2018. Mr. Sanders commented that the preliminary budget would be presented to the Council at their March 27, 2017, meeting.

Mr. Sanders anticipated \$799,400.00 worth of revenue for 2017/2018. The largest portion of that income would be from the anticipated \$630,600.00 tax levy receipts.

For expenditures, Mr. Sanders expected \$647,950.00. Pension Payments were anticipated to make up \$628,454.00 of that number. Audit expenses would stay at \$2,600.00, Miscellaneous Charges would be \$1,600.00, Actuarial Services \$2,200.00, and Fiduciary Liability Insurance \$13,096.00.

The Police Pension Board had no questions for Mr. Sanders.

Sergeant Nuttall moved to approve the preliminary Police Pension budget for fiscal year 2017/2018, seconded by Sergeant Schlick. A majority affirmative voice vote was received.

AGENDA #8 DISCUSSION/POSSIBLE ACTION: ELECTRONIC ATTENDANCE FOR POLICE PENSION BOARD: Mr. Sanders told the Board that electronic attendance for members of a public body was permissible by State statute under certain circumstances, if the public body were to take action to allow for electronic attendance.

Mr. Runyon asked if there were any negatives to allowing electronic attendance. Mr. Sanders replied that State statute only allowed for electronic attendance if the public official was ill or disabled, was unable to attend due to employment or official business of the public body, or if the official has a family or other emergency. Specific to the Police Pension Board, Mr. Uhl's employment had changed to where it would require him to travel more often. It may be of preference for the Police Pension Board to allow for electronic attendance so, for example, Mr. Uhl could participate if he was out of town on business.

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Sergeant Nuttall moved to allow for electronic attendance at Police Pension meetings per State statute regulations, seconded by Sergeant Schlick. A majority affirmative voice vote was received.

City Clerk Sterchi would prepare the resolution.

AGENDA #9 DISCUSSION/POSSIBLE ACTION: AUTHORIZATION FOR WITHDRAWAL OF PENSION FUND CONTRIBUTIONS: Mr. Sanders told the Board that Officer Daron Harmon had submitted his letter of resignation from the Police Department, and submitted a request for withdrawal of his Police Pension contributions. Mr. Sanders noted that Officer Harmon was not vested in the Police Pension, so the withdrawal would be his contributions only in the amount of approximately \$27,000.00. Administrative Assistant Cindy Harlan would confirm the number after the next pay period.

It was noted that Officer Harmon would be moving to work as a Deputy at the Richland County Sheriff's Department. Deputies' pension plans there fall under IMRF and not the Police Pension.

Sergeant Nuttall moved to authorize withdrawal of Officer Daron Harmon's Police Pension Fund contributions, seconded by Sergeant Schlick. A majority affirmative voice vote was received.

AGENDA #10 PUBLIC COMMENTS/PRESENTATIONS: No one from the public was present.

AGENDA #11 SCHEDULING OF NEXT MEETING: The next meeting of the Police Pension Board was scheduled for June 22, 2017, at 8:30 a.m. at City Hall.

AGENDA #12 ADJOURN: Mr. Runyon moved to adjourn, seconded by Sergeant Nuttall. A majority affirmative voice vote was received. The meeting of the Police Pension Board adjourned at 9:01 a.m.

Gregg Brooks
Secretary