

CITY OF OLNEY
FIRE PENSION BOARD
JANUARY 24, 2013

AGENDA #1 “CALL TO ORDER” The City of Olney Fire Pension Board met in the Fire Station at 1:36 p.m. on January 24, 2013, with President Rusty Holmes presiding.

AGENDA #2 “ROLL CALL” The following members were present: Fire Chief Rusty Holmes, Retired Firefighter Clarence Smith, City Treasurer Chuck Sanders and City Clerk Belinda Henton. Firefighter Mill Hill entered the meeting later.

AGENDA #3 “APPROVE MINUTES FROM FIRE PENSION BOARD MEETING JULY 12, 2012” Retired Firefighter Clarence Smith moved to approve the minutes from the Fire Pension meeting on October 11, 2012 and December 4, 2012, seconded by Fire Chief Holmes. A unanimous voice vote was received.

AGENDA #4 “TREASURER’S REPORT” Mr. Sanders distributed the current investment schedule.

On January 18, 2013, a certificate of deposit matured at Edward Jones in the approximate amount of \$81,000. The proceeds from the certificate of deposit were placed in a cash account at Edward Jones. The next maturity will be July 16, 2013 for \$100,000 at LPL.

Mr. Sanders reported the rebalancing of the variable annuities has taken place. The \$132,000 Nationwide annuity from LPL has been converted to a fixed annuity and the \$90,000 Hartford and \$61,000 Putnam both from Edward Jones has been downsized to \$72,000. The equity portion of the funds is now only 9.72%.

Mr. Sanders distributed an income and expense report and estimated there is \$35,523.59 available for investment. He suggested holding off on an investment decision until the Board listens to Morgan Stanley.

A few months ago the Fund adopted an investment policy which has been filed with the Illinois Department of Insurance. This policy has also been given to Edwards Jones. Edward Jones is now willing to let the local representative meet with the Fire Pension Board. The Board was willing to allow LaNae from Edward Jones attend a Fire Pension Board meeting to discuss investment recommendations.

Firefighter Hill entered the meeting at 1:48 p.m.

Morgan Stanley representatives joined the meeting through a conference call at 1:54 p.m. Prior to the meeting Morgan Stanley provided the board members with a 4th quarter report. Dan Anderson reviewed the report with the Board.

Eric Laughlin from Morgan Stanley reviewed that the Fire Pension Fund invested \$250,000 with Morgan Stanley in July and then another \$100,000 in August. In December 2012 the Board moved \$155,000 to Morgan Stanley of which \$83,000 will be managed by McDonnell Investment Management as a fixed income account and \$72,000 as an equity investment account with Morgan Stanley in accordance with their recommendations. Morgan Stanley is now the broker for the Nationwide fixed annuity. Because of the additional investments, the Fund will now only pay a .65% fee.

In Morgan Stanley's opinion the economy is improving and they expect a rally because of these improvements.

The Fund's investments have a total net return year to date of .4%.

Morgan Stanley discussed the various options for investing the \$34,523 which is available for reinvestment.

The conference call with Morgan Stanley ended at 2:32 p.m.

Firefighter Hill moved to move the \$81,000 from the Edward Jones cash account to the Citizens National Bank money market account, seconded by Fire Chief Holmes. A unanimous voice vote was received.

The next schedule meeting will be at 9:00 a.m. on April 11, 2013. LaNae from Edward Jones will be invited to discuss investment recommendations.

Mrs. Henton moved to adjourn, seconded by Firefighter Hill.

The meeting of the Fire Pension Fund adjourned at 2:44 p.m.

Belinda C. Henton
Secretary