

City of Olney
Police Pension Board Meeting
December 10, 2019

AGENDA #1 CALL TO ORDER: Vice President Rick Runyon called to order the City of Olney Police Pension Board meeting for December 10, 2019, at 8:35 a.m.

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

In October of 2019, the Police Officers held an election to replace Sergeant Nuttall's position on the Police Pension Board. The officers elected Officer Cody Smith to serve on the Police Pension Board. Since that time, Mrs. Guinn told the Board, Officer Smith had resigned out of the Police Department. The officers would soon be holding another election.

AGENDA #3 APPROVE MINUTES FROM POLICE PENSION BOARD MEETING ON OCTOBER 24, 2019: The Board was provided with the minutes from October 24, 2019. Mr. Brooks moved to approve the minutes from October 24, 2019, seconded by Mr. Uhl. A majority affirmative voice vote was received.

AGENDA #4 TREASURER'S REPORT:

4-A "Discussion: May 1, 2019 – November 30, 2019" The Board was provided with a copy of an income and expense statement from May 1, 2019, through November 30, 2019.

Mrs. Guinn reported that all of the tax levy money had been received. Other than investments, most all of the expected income had been received. Expenses were tracking on schedule, as well.

4-B "Discussion: Investment Schedule and Maturities" The Board was provided with an investment schedule as of December 3, 2019.

On December 16, 2019, a \$175,000.00 CD would be coming due. Mrs. Guinn felt that the Board could invest \$175,000.00, if desired.

AGENDA #5 EDWARD JONES PRESENTATION: LaNae Mitchell was present to speak to the Board.

If investing \$175,000.00, Mrs. Mitchell recommended that the Board invest \$39,000.00 into equity and the rest into fixed income.

Edward Jones CD rates were at 1.7% for a one-year CD, and 1.95% for a five-year CD.

Mrs. Mitchell continued to report that year-to-date, the fund had earned a 13.30% return. That amount totaled about \$598,000.00. Large capital gains would again be paid out this year. Mrs. Mitchell expected the gains would be anywhere from \$100,000.00 to \$120,000.00. Dividends would also pay out later in December.

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AGENDA #6 DISCUSSION/AUTHORIZE ANY NEW INVESTMENTS: Mr. Brooks moved to invest \$39,000.00 into American Growth and \$136,000.00 into the American High-Income Trust, seconded by Mr. Uhl. A majority affirmative voice vote was received.

Mrs. Mitchell exited the meeting at 8:44 a.m.

AGENDA #7 APPROVE POLICE PENSION PAYMENT INCREASES EFFECTIVE JANUARY 1, 2020: Mrs. Guinn reminded the Board that per State statute, a 3% police pension payment increase was required each January.

Mr. Uhl moved to approve police pension payment increases of 3%, effective January 1, 2020, seconded by Mr. Runyon. A majority affirmative voice vote was received.

AGENDA #8 APPROVE APPLICATION FOR MEMBERSHIP INTO POLICE PENSION FUND – JAMES IGLEHART: Mrs. Guinn told the Board that James Iglehart had recently been hired as a Patrol Officer. As such, he had submitted an application for membership into the Police Pension Fund.

Mr. Brooks moved to approve James Iglehart's application for membership into the Police Pension Fund, seconded by Mr. Uhl. A majority affirmative voice vote was received.

AGENDA #9 DISCUSSION/UPDATE: OLNEY POLICE PENSION RULES & REGULATIONS THAT ESTABLISH PAY BACK PERIOD FOR PURCHASE OF CREDITABLE SERVICE FROM MILITARY: This topic was discussed at the October 24, 2019, meeting and was tabled until more information had been received from the State. At that time, Officer Smith had been the one to request the ability to purchase his creditable service from the military. Since Officer Smith had resigned, the Board wished to take no further action on the topic.

AGENDA #10 DISCUSSION/AUTHORIZATION: ESTABLISH REASONABLE TIME FOR OFFICER TO BUY BACK SERVICE REFUNDED TO HIM/HER: Mrs. Guinn told the Board that an officer had requested to buy back service that had already been refunded to him. The individual was hired in 2002, but then resigned in 2004. As such, he was paid back his portion of contributions into the Police Pension Fund. That same individual was re-hired in 2006 and was now requesting to buy back the time he had been paid back.

Mrs. Guinn had spoken with the Illinois Department of Insurance (IDOI), and they told Mrs. Guinn that if approved, the individual would need to repay the refund with 2% upon re-entry, or in a reasonable time as set up in rules and procedures as dictated by the Police Pension Board. At this time, the Board did not have such a policy in place.

Mr. Runyon pointed out that if approved, the request would count for two years towards the individual's retirement.

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Mr. Uhl felt that a reasonable time frame for requesting a buy-back on service refunded should be about six months. Mr. Runyon disagreed, and felt that two years could be sufficient. Mr. Uhl stated he would not be in favor of any request made past one year.

Overall, the Board felt that 13 years was certainly too long of a stretch to be deemed as any sort of a “reasonable time” for an officer to request buy-back of refunded service.

Mr. Brooks moved to deny the request, seconded by Mr. Uhl. A majority affirmative voice vote was received.

AGENDA #11 UPDATE: STATE OF ILLINOIS CONSOLIDATION OF DOWNSTATE PENSION PLANS: Mrs. Guinn told the Board that legislation had passed that would combine the downstate Fire and Police Pension Funds. The consolidation should yield much higher return rates. Some changes would take place in local Fire and Police Pension Boards, third-party actuaries would not be needed, and neither would financial advisors such as Edward Jones. The transition period would take about 30 months. Until more guidance was given, Fire and Police Pension Boards would carry on their business as usual.

AGENDA #12 PUBLIC COMMENTS/PRESENTATIONS: No one from the public was present.

AGENDA #13 SCHEDULING OF NEXT MEETING: The next meeting of the Police Pension Board was scheduled for March 26, 2020, at 8:30 a.m.

AGENDA #14 ADJOURN: Mr. Brooks moved to adjourn, seconded by Mr. Uhl. A majority affirmative voice vote was received. The meeting of the Police Pension Board adjourned at 8:58 a.m.

Gregg Brooks
Secretary