

**City of Olney**  
**Police Pension Board Meeting**  
**December 3, 2018**

**AGENDA #1 CALL TO ORDER:** Sergeant Brian Nuttall called to order the City of Olney Police Pension Board meeting for December 3, 2018, at 8:30 a.m.

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

**AGENDA #3 APPROVE MINUTES FROM POLICE PENSION BOARD MEETING ON OCTOBER 29, 2018:** The Board was provided with the minutes from October 29, 2018. Mr. Runyon moved to approve the minutes from October 29, 2018, seconded by Mr. Brooks. A majority affirmative voice vote was received.

**AGENDA #4 TREASURER'S REPORT:**

4-A "Discussion: Income and Expense May 1, 2018 – November 30, 2018" The Board was provided with an income and expense statement from May 1, 2018 – November 30, 2018.

Mrs. Guinn told the Board that income and expenses were coming in on track to the budget. She anticipated that four months of pension payments would be needed until the next short term CDs came due. Because of that and needing \$100,000.00 for safety, Mrs. Guinn did not feel that there were any additional funds available to invest.

4-B "Discussion: Investment Schedule and Maturities" The Board was provided with an investment schedule and maturities listing.

At the last meeting, the City Manager had suggested reinvesting some of the lower rate CDs to higher rate CDs, if the penalties were low enough to be feasible. Lanae Mitchell indicated that two of the lower rate CDs would be worth such a transfer. A Goldman Sachs CD would only have a \$250.00 penalty, and could be changed from a rate of 2.35% to 3.1% for 2 years. A Wells Fargo CD would only have a \$150.00 penalty, and could be changed from a rate of 2.8% to 3.1% for 2 years. The other lower rate CDs had much higher penalties.

Mrs. Mitchell also noted that the Hartford annuity would be coming due in January of 2019. Hartford had been sold to a new company that would handle annuities, however, this particular annuity was grandfathered in to still receiving the 3% guarantee. The Board would have the option to renew the annuity for another five years with the same guarantee. Mrs. Mitchell noted that annuity rates had not been trending upward like CDs had been.

Edward Jones' 5 year CD rate was 3.6%. Mr. Runyon felt it would make the most sense to roll out that Hartford annuity to a 5 year CD at that rate. Mrs. Mitchell agreed, and noted it was still possible for interest rates to hike again.

**AGENDA #5 EDWARD JONES PRESENTATION:** Mrs. Mitchell reminded the Board that capital gains were set to pay out in December for mutual funds. Currently, \$86,827.00 was expected. If the Board chose to reallocate, the capital gains could increase by \$50,000.00.

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**AGENDA #6 DISCUSSION/AUTHORIZE ANY NEW INVESTMENTS:** The Board briefly discussed their options and decided to wait on reinvesting the lower rate CDs in order to see if the interest rates would hike again before the next meeting.

Mr. Runyon moved to let the Hartford annuity expire and roll the funds into the Edward Jones money market account until the next Board meeting, seconded by Mr. Brooks. A majority affirmative voice vote was received.

Sergeant Schlick moved to reallocate mutual funds, as done in the past, seconded by Mr. Runyon. A majority affirmative voice vote was received.

Before leaving, Mrs. Mitchell noted that the Police Pension portfolio was showing a .18% return. The market was pulling back, as expected, and volatility had risen with the tariff issues.

Mrs. Mitchell exited the meeting at 8:41 a.m.

**AGENDA #7 AUTHORIZE REIMBURSEMENT/PAYMENT OF INVOICES:** Mrs. Guinn was in possession of three invoices needing payment. One was in the amount of \$1,800.00 to Kemper CPA Group for their work on the annual report, another was in the amount of \$2,000.00 for Art Tepfer's actuarial report, and the last was in the amount of \$13,169.00 for fiduciary insurance.

Mr. Runyon moved to authorize reimbursement and/or payment of the invoices listed above, seconded by Mr. Brooks. A majority affirmative voice vote was received.

**AGENDA #8 REVIEW ART TEPFER ACTUARIAL REPORT FOR POLICE PENSION FUND:** Mrs. Guinn passed around the actuarial report received from Art Tepfer. As expected, the Police Pension Fund still remained underfunded. The Fund was only funded at 43%, which was slightly better than past years.

**AGENDA #9 REVIEW & APPROVE THE REQUIRED REPORTING TO THE MUNICIPALITY REPORT:** Mrs. Guinn passed around a copy of the proposed Required Reporting to the Municipality Report that would be presented to the City Council on December 10, 2018.

Mr. Brooks moved to approve the Required Reporting to the Municipality Report, seconded by Mr. Runyon. A majority affirmative voice vote was received.

**AGENDA #10 REVIEW & APPROVE THE RECOMMENDED 2018/2019 TAX LEVY FOR THE POLICE PENSION:** The Board was provided with a listing of the recommended 2018/2019 tax levy for the Police Pension. Mrs. Guinn pointed out that the recommendation included Art Tepfer's recommended levy amount of \$675,129.00, plus expenses, for a total of \$693,644.00. Pension payments and other expenses would take up approximately \$678,000.00 of that amount.

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If the tax levy passed, the levy plus employee contributions and corporate replacement tax should equal close to \$777,000.00.

Mr. Runyon moved to approve the recommended 2018/2019 tax levy for the Police Pension, as presented, seconded by Sergeant Schlick. A majority affirmative voice vote was received.

**AGENDA #11 AUTHROIZE TRAINING HOURS WITH RICK RUNYON ON DECEMBER 12 & 13, 2018, AT 8:00 A.M.:** Mr. Runyon would be conducting the training course, and he was currently finalizing the material. Three people would need 32 hours worth of training for the year. Mr. Runyon would be working with those individuals to make up the difference by the end of the month.

The fee for the training would be \$115.00 per person, payable to IECC.

Mr. Brooks moved to authorize training hours with Rick Runyon on December 12 and 13, 2018, at 8:00 a.m. at the Fire Station, seconded by Sergeant Schlick. A majority affirmative voice vote was received.

**AGENDA #12 APPROVE PENSION PAYMENT INCREASES EFFECTIVE JANUARY 1, 2019:** At the beginning of each year, the State mandates pension payment increases of 3% to qualifying retirees.

Mr. Brooks moved to approve the 3% pension payment increases for qualifying retirees for 2019, seconded by Sergeant Schlick. 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 Police Pension Board was scheduled for March 28, 2018, at 8:30 a.m.

**AGENDA #15 ADJOURN:** Mr. Brooks moved to adjourn, seconded by Mr. Runyon. A majority affirmative voice vote was received. The meeting of the Police Pension Board adjourned at 9:00 a.m.

Gregg Brooks  
Secretary