

City of Olney
Police Pension Board Meeting
May 21, 2018

AGENDA #1 CALL TO ORDER: Sergeant Brian Nuttall called to order the City of Olney Police Pension Board meeting for May 21, 2018, at 8:30 a.m.

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

AGENDA #3 APPROVE MINUTES FROM POLICE PENSION BOARD MEETING ON MARCH 28, 2018: The Board was provided with the minutes from March 28, 2018. Sergeant Schlick moved to approve the minutes from March 28, 2018, seconded by Mr. Runyon. A majority affirmative voice vote was received.

AGENDA #4 TREASURER'S REPORT:

4-A "Discussion: Preliminary Income and Expense May 1, 2017 – April 30, 2018" The Board was provided with an preliminary income and expense statement from May 1, 2017 – April 30, 2018.

Mrs. Guinn pointed out that the Income and Expense Report was preliminary, and had not yet been audited. Total income came in approximately \$76,000.00 over budget. Expenses tracked close to budget.

Mrs. Guinn looked out four months to determine how much cash would be needed to make pension payments. In August of 2018, an Edward Jones CD would be coming due, and the first installment of the tax levy should be received.

An amount of \$793,454.72 was currently in the bank, and \$213,275.72 would be spent on pension payments. The Edward Jones Hartford Annuity came due on May 20, 2018, in the amount of \$145,000.00. Mrs. Guinn believed that the Board could invest about \$650,000.00.

4-B "Discussion: Investment Schedule and Maturities" The Board was provided with an investment schedule and maturities listing as of May 15, 2018.

Mrs. Guinn reiterated that the Hartford Annuity had just come due in the amount of \$145,000.00. In addition, two CDs would be coming due later in the year. In August, \$150,909.00 would come due, and in October, \$248,803.00 would come due.

Currently, the amount invested in variables was at 41%. If the Board chose to add \$175,000.00 into variables, that would put the percentage closer to the 45% cap.

Mr. Runyon moved to approve the Treasurer's Report, seconded by Sergeant Schlick. A majority affirmative voice vote was received.

AGENDA #5 EDWARD JONES PRESENTATION: LaNae Mitchell, of Edward Jones, presented a sheet that showed how she would propose to invest the \$650,000.00. Because

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interest rates were expected to raise three to four more times within the year, she did not feel that it made sense to renew into the Hartford Annuity.

Mrs. Mitchell suggested creating a CD ladder that would have a one year CD for \$150,000.00 at a 2.30% rate, a two year CD for \$150,000.00 at a 2.75% rate, and a three year CD for \$150,000.00 at a 2.90% rate. From there, the remaining \$200,000.00 could be added to the American Funds Conservative Growth & Income Portfolio with 60% equities and 40% bonds.

Mr. Runyon liked what Mrs. Mitchell had presented, but suggested putting more money into a three year CD.

Sergeant Nuttall suggested that no money be put into a one year CD so that more could be added to the three year. Sergeant Schlick agreed.

AGENDA #6 AUTHORIZE ANY NEW INVESTMENTS: Mr. Runyon moved to invest with Edward Jones an amount of \$150,000.00 into a two year CD at a 2.75% rate, to invest \$300,000.00 into a three year CD at a 2.90% rate, and to invest \$200,000.00 into the American Funds Conservative Growth & Income Portfolio, seconded by Sergeant Schlick. A majority affirmative voice vote was received.

Mrs. Mitchell added that year-to-date, the Police Pension Fund had earned \$71,000.00 off of mutual funds.

Mrs. Mitchell had also received correspondence from her office's investment strategist that noted the current market volatility and importance of diversification.

Mr. Runyon moved to terminate the Edward Jones Hartford Annuity as of the anniversary date, seconded by Sergeant Schlick. A majority affirmative voice vote was received.

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

AGENDA #7 APPOINT JANE GUINN AS POLICE PENSION BOARD TREASURER AS OF MAY 1, 2018: Sergeant Schlick moved to appoint Mrs. Guinn as the Police Pension Board as of May 1, 2018, seconded by Mr. Runyon. A majority affirmative voice vote was received.

AGENDA #8 AUTHORIZE NEW POLICE PENSION BOARD TREASURER AS SIGNATORY FOR POLICE PENSION ACCOUNTS: Mr. Runyon moved to authorize Mrs. Guinn as a signatory for Police Pension accounts, seconded by Sergeant Schlick. A majority affirmative voice vote was received.

AGENDA #9 AUTHORIZE ART TEPFER'S CONSULTING FIRM TO PERFORM THE 2018 ACTUARIAL VALUATION: Sergeant Schlick moved to authorize Art Tepfer's consulting firm to perform the 2018 actuarial valuation.

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Sergeant Nuttall asked if Mr. Tepfer's fees would stay the same. Mrs. Guinn replied that the fee would be the same in the amount of \$2,000.00.

Mr. Runyon seconded Sergeant Schlick's motion. A majority affirmative voice vote was received.

AGENDA #10 AUTHORIZE PAYMENT OF COMPLIANCE FEE: Mrs. Guinn told the Board that she would need authorization to pay the \$897.88 compliance fee from the Police Pension Fund.

Mr. Runyon moved to authorize payment of the \$897.88 compliance fee, seconded by Sergeant Schlick. A majority affirmative voice vote was received.

AGENDA #11 ELECTION OF OFFICERS: Mr. Runyon felt that it would be easiest to keep the Board member officers the same as the prior year.

Mr. Runyon moved to elect Sergeant Nuttall as President, Mr. Runyon as Vice President, Mr. Brooks as Secretary, and Mr. Uhl as Assistant Secretary, seconded by Sergeant Schlick. A majority affirmative voice vote was received.

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 September 13, 2018, at 8:30 a.m.

AGENDA #14 ADJOURN: Mr. Runyon moved to adjourn, seconded by Sergeant Schlick. A majority affirmative voice vote was received. The meeting of the Police Pension Board adjourned at 8:50 a.m.

Gregg Brooks
Secretary