

City of Olney
Police Pension Board Meeting
March 2, 2021

AGENDA #1 CALL TO ORDER: President Rick Runyon called to order the City of Olney Police Pension Board meeting for March 2, 2021, at 8:30 a.m.

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

AGENDA #3 APPROVE MINUTES FROM POLICE PENSION BOARD MEETING ON OCTOBER 27, 2020: The Board was provided with the minutes from October 27, 2020. Mr. Brooks moved to approve the minutes from October 27, 2020, seconded by Mr. Uhl. A majority affirmative voice vote was received.

AGENDA #4 TREASURER'S REPORT:

4-A "Discussion: Income and Expense May 1, 2020 – February 28, 2021" The Board was provided with a copy of an income and expense statement from May 1, 2020, through February 28, 2021.

Mrs. Guinn told the Board that total income received was \$943,921.99 compared to the budgeted income of \$876,996.00. This overage of income was due to how well investments had done in 2020.

On expenses, an amount of \$554,831.86 had been spent. Total budgeted expenses were listed at \$667,104.00. Mrs. Guinn believed that the expenses were tracking on-schedule to the budget.

Mrs. Guinn then stated that three months worth of pension payments would need to be set aside, but felt that the Board could invest about \$300,000.00, if desired.

4-B "Discussion: Investment Schedule and Maturities" The Board was provided with an Investment Schedule as of February 22, 2021.

Mrs. Guinn reported that two CDs had come due in December of 2020. Another three CDs would be coming due in June of 2021 of about \$300,000.00. The percentage invested into variables was at 44%.

Mr. Runyon noted that the interest rates that had been received on the CDs would no longer be that high. However, he was pleased to see that the Police Pension Fund now totaled \$6,598,861.33.

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

Mrs. Mitchell recommended making some investments into bond income. CD rates continued to be very low. She noted that it was a struggle to find a CD that could earn even .5%. These low rates were expected to remain for another 2 to 3 years.

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Specifically, Mrs. Mitchell felt that investing into tax free bonds would be the most beneficial. Investing this way would offer safety, no fluctuations, and would receive returns. If the funds needed to be removed at any time, there would also be no penalty.

Mrs. Mitchell offered that the American High Income Municipal Trust would be a good choice. On average, that bond earned 4.62% over 1 year, 5.29% over 3 years, and 6.79% over 5 years.

Mr. Uhl asked what symbol was assigned to the American High Income Municipal Trust. Mrs. Mitchell replied that it was AMHIX.

Reviewing all funds, Mrs. Mitchell reported rate of return in 2020 of 11.87%. The rate of return since inception was 7.10%. Return so far on YTD 2021 was .83%.

Some investment changes were made in December of 2020 to make the most of capital gains. The total earned from those capital gains came in at \$146,853.00. Mrs. Mitchell hoped to reallocate from the Growth Funds into the moderate portfolio.

Mr. Runyon asked how the reallocation would affect the percentage of variable investments. Mrs. Mitchell replied that it would actually do better. She preferred to keep the percentage down to about 42% in case of growth that would push that number over 45%.

AGENDA #6 DISCUSSION/AUTHORIZE ANY NEW INVESTMENTS: Mr. Brooks moved to reallocate from Growth Funds into the moderate portfolio per Mrs. Mitchell's recommendations, seconded by Sergeant Schlick. A majority affirmative voice vote was received.

Mr. Brooks moved to invest \$300,000.00 into tax free bonds, per Mrs. Mitchell's recommendations, seconded by Officer Iglehart. A majority affirmative voice vote was received.

Mrs. Mitchell exited the meeting at 8:42 a.m.

AGENDA #7 APPROVE APPLICATION FOR MEMBERSHIP INTO POLICE PENSION FUND – RYAN WEESNER: Sergeant Schlick moved to approve the Ryan Weesner's application for membership into the Police Pension Fund, seconded by Mr. Brooks. A majority affirmative voice vote was received.

Mrs. Guinn then received the necessary signatures approving the application.

AGENDA #8 APPROVE PROPOSED POLICE PENSION BUDGET FOR 2021/2022: The Board reviewed the proposed Police Pension Budget for 2021/2022. Mrs. Guinn stated that unless there were any concerns, the proposed budget would be presented to the Council at their March 22nd meeting. The proposed budget was similar to the prior year's with no big changes.

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Since the consolidation of the downstate pension funds was on the horizon, Mr. Runyon wondered if the City should continue making additional contributions into the Fund as they had been doing in recent years. Mrs. Guinn believed that additional contributions should still be made, if possible. Regardless, the City's portion would still be underfunded and the City would still owe the underfunded amount.

Sergeant Schlick moved to approve the proposed Police Pension Budget for 2021/2022, seconded by Mr. Brooks. A majority affirmative voice vote was received.

AGENDA #9 AUTHORIZE PAYMENT/REIMBURSEMENT OF INVOICES: Mrs. Guinn stated that the invoice for fiduciary liability insurance had been received in the amount of \$13,386.00. She was seeking authorization to pay the invoice.

Mr. Brooks moved to pay the invoice in the amount of \$13,386.00 for fiduciary liability insurance, seconded by Sergeant Schlick.

Mr. Uhl wondered if the City would still need the fiduciary liability insurance once the downstate pension funds were consolidated. The Board would no longer have any say on investments at that point.

A majority affirmative voice vote was received.

AGENDA #10 ACKNOWLEDGE SERVICE OF GREGG BROOKS ON POLICE PENSION BOARD & DISCUSS ELECTION BEING HELD AMONG RETIREES: Mr. Runyon advised the Board that Mr. Brooks was resigning off of the Board after several years of service. Mr. Runyon told Mr. Brooks that it had been a pleasure having him as a trustee and that he had always been reliable. He appreciated Mr. Brooks' years of dedicated service and input. The rest of the Board also thanked Mr. Brooks.

Mr. Brooks then shared his mutual appreciation of the other Board members. He also thanked City Hall staff for their work in support of the Board. Mr. Runyon agreed that the preparation and organization of the staff helped the meetings flow well and not be as time consuming.

Retired officers Tim Dunahee and Rob Brown were on the ballot that was sent out to all of the retired officers. Mrs. Guinn would have the results soon.

AGENDA #11 UPDATE: STATE OF ILLINOIS CONSOLIDATION OF DOWNSTATE PENSION PLANS – 4-HOUR TRAINING: Mrs. Guinn told the Board that she had been having great difficulty getting responses from the State about the required 4-hour training. She had received an e-mail from a member of the IPOPIF, but the correspondence did not give Mrs. Guinn the information she was seeking.

For the Board's information, Mrs. Guinn directed them to an article from the *Illinois*

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Municipal Review regarding an update on the consolidation of the Police Officers' Pension Investment Fund.

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 June 15, 2021, at 8:30 a.m.

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

Gregg Brooks
Secretary