

**City of Olney**  
**Police Pension Board Meeting**  
**May 21, 2020**

**AGENDA #1 CALL TO ORDER:** Vice President Rick Runyon called to order the City of Olney Police Pension Board meeting for May 21, 2020, 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.

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, Officer Smith had resigned from the Police Department. In January of 2020, the officers elected James Iglehart to the Police Pension Board.

**AGENDA #3 APPROVE MINUTES FROM POLICE PENSION BOARD MEETING ON DECEMBER 10, 2019:** The Board was provided with the minutes from December 10, 2019. Mr. Uhl moved to approve the minutes from December 10, 2019, seconded by Sergeant Schlick. A majority affirmative voice vote was received.

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

4-A "Discussion: Preliminary Income and Expense May 1, 2019 – April 30, 2020" The Board was provided with a copy of the preliminary income and expense statement from May 1, 2019, through April 30, 2020.

Mrs. Guinn pointed out that the statement was preliminary as the fiscal year 2019/2020 information had not yet been audited. Overall, the fund saw \$321,564.44 worth of net income compared to the budgeted amount of \$182,927.00. This difference mostly came from dividends received from Edward Jones.

4-B "Discussion: Investment Schedule and Maturities" The Board was provided with an investment schedule as of May 12, 2020.

Mrs. Guinn felt that one month's worth of pension payments would need to be set aside until the next meeting. One CD would be coming due in June and two more would come due in December. Towards the end of August or early September, the first installment of tax levy payments would also be received.

Currently, the fund was holding 43.41% in variables. The cap would be 45%, according to statute.

Mr. Runyon noted that all assets currently totaled \$5,335,292.39.

Current cash on hand totaled \$336,733.97. Mrs. Guinn believed the Board could safely invest anywhere between \$175,000.00 and \$180,000.00, if desired.

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**AGENDA #5 EDWARD JONES PRESENTATION:** LaNae Mitchell and Phil Hanning conferenced in to speak to the Board. The conference call began at 8:35 a.m.

Mrs. Mitchell advised that any investments made would need to go into the fixed income category. She recommended investing into the American Emerging Markets Bonds.

Mr. Hanning then briefed the Board on how the current COVID-19 public health emergency was negatively affecting the markets. The next three to four month's worth of data was expected to be pretty rocky.

Mr. Hanning left the conference call at 8:47 a.m.

Mrs. Mitchell continued by stating that year-to-date, the portfolio performance was down about (4.16%). As of earlier in the day, the portfolio was down by (3.36%).

**AGENDA #6 DISCUSSION/AUTHORIZE ANY NEW INVESTMENTS:** Sergeant Schlick moved to invest \$180,000.00 into American Emerging Markets Bonds, seconded by Mr. Brooks. A majority affirmative voice vote was received.

Mrs. Mitchell left the conference call at 8:51 a.m.

Before moving on, Mrs. Guinn told the Board that due to scheduling issues related to COVID-19, some transactions had already taken place, but still wished to have the Board's support for the record.

**AGENDA #7 AUTHORIZE WITHDRAWAL OF PENSION CONTRIBUTIONS – CODY SMITH:** Because Cody Smith had ended his employment with the Olney Police Department, he was requesting a refund of his pension contributions in the amount of \$1,933.63.

Mr. Brooks moved to authorize the withdrawal of pension contributions in the amount of \$1,933.63 for Cody Smith, seconded by Sergeant Schlick. A majority affirmative voice vote was received.

**AGENDA #8 APPROVE APPLICATION FOR MEMBERSHIP INTO POLICE PENSION FUND – LEVI SEATON:** Mrs. Guinn told the Board that Levi Seaton had been hired as a Patrol Officer earlier in the year. As such, he had submitted an application for membership into the Police Pension Fund.

Sergeant Schlick moved to approve Levi Seaton's application for membership into the Police Pension Fund, seconded by Mr. Uhl. A majority affirmative voice vote was received.

**AGENDA #9 AUTHORIZE PAYMENT/REIMBURSEMENT OF INVOICES:** Mrs. Guinn explained that an invoice had been received from Frontier Community College in the amount of \$620.00 for training, and the invoice in the amount of \$13,149.00 had been received for fiduciary insurance. Both of these invoices were paid in the 2019/2020 fiscal year.

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For the 2020/2021 fiscal year, an invoice for the compliance fee had been received in the amount of \$1,035.00.

Mr. Uhl moved to authorize payments and reimbursements in the amount of \$620.00 for training, \$13,149.00 for the fiduciary insurance, and \$1,035.00 for the compliance fee, seconded by Mr. Brooks. A majority affirmative voice vote was received.

**AGENDA #10 APPROVE THE POLICE PENSION BUDGET FOR 2020/2021:** The Board was provided with a copy of the Police Pension budget for 2020/2021.

Mrs. Guinn told the Board that the budget had to be approved by April 30, 2020, so it was already in place. However, if the Board wished to make any changes, the Council could be petitioned for a budget amendment.

Mrs. Guinn stated that there were no significant budgetary changes for income or expense in 2020/2021 compared to 2019/2020. An amount of \$701,274.00 was to be levied for Police Pensions.

Mr. Brooks moved to approve the Police Pension budget for 2020/2021, seconded by Sergeant Schlick. A majority affirmative voice vote was received.

**AGENDA #11 DISCUSSION/POSSIBLE ACTION: ACTUARIAL VALUATION FOR 2020:** The Police Pension Board had been using Art Tepfer as a third-party actuary for the past few years. Mrs. Guinn had learned that Mr. Tepfer would be retiring. The Board would have the option to seek a new third-party actuary or to only utilize the actuarial reports from the Illinois Department of Insurance (IDOI).

Mr. Runyon wondered if the IDOI's numbers had been vastly different from Mr. Tepfer's. Mrs. Guinn recalled that in the past, the IDOI numbers had been low compared to Mr. Tepfer's.

Mrs. Guinn felt it would be likely that another third-party actuary would have higher prices than Mr. Tepfer. Additionally, when the downstate police pensions were consolidated, there would be no need for a third-party actuary.

Mr. Brooks moved to not seek a new third-party actuary and to only utilize the IDOI's actuary reports for guidance, seconded by Mr. Uhl. A majority affirmative voice vote was received.

**AGENDA #12 ELECTION OF OFFICERS:** Sergeant Schlick moved to elect Mr. Runyon as President, himself as Vice President, Mr. Brooks as Secretary, Mr. Uhl as Assistant Secretary, and Officer Iglehart as Trustee, seconded by Mr. Brooks. A majority affirmative voice vote was received.

Per State statute, Mrs. Guinn would remain Treasurer.

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**AGENDA #13 STATE OF ILLINOIS CONSOLIDATION OF DOWNSTATE PENSION**

**PLANS – TRAINING:** Mrs. Guinn told the Board that when the consolidation took place, training requirements would be cut in half. A new one-time, four hour training would be required on the consolidation itself. She wondered if Mr. Runyon would also be able to teach such training. Mr. Runyon believed so. He would correspond with Mrs. Guinn at a later time to set up the training.

**AGENDA #14 PUBLIC COMMENTS/PRESENTATIONS:** No one from the public was present.

**AGENDA #15 SCHEDULING OF NEXT MEETING:** The next meeting of the Police Pension Board was scheduled for August 25, 2020, at 8:30 a.m.

**AGENDA #14 ADJOURN:** Mr. Runyon moved to adjourn, seconded by Mr. Brooks. A majority affirmative voice vote was received. The meeting of the Police Pension Board adjourned at 9:05 a.m.

Gregg Brooks  
Secretary