

Approved, Board Mtg of 5-25-17

MINUTES OF THE REGULAR MEETING OF
THE O'FALLON FIRE PROTECTION DISTRICT
PENSION BOARD
February 28, 2017

A regular meeting of the O'Fallon Fire Protection District Pension Board was held on February 28, 2017, at the Administration Board Room, 111 Laura K Drive, O'Fallon, MO. Director Laughlin called the meeting to order at 7:00 p.m. Notice of said meeting had been provided at least 24 hours in advance of the meeting by posting the meeting time in the case on the outside wall of the Administrative Offices. Board Secretary Lucido conducted *Roll Call*: Present: Director Bill Laughlin, Director Matt Gober, Director Matt Simmons, and Pension Board Member Captain Mike Alcorn. The following staff members were present: Chief Vineyard, Assistant Chief Brian Moore, and Pension Board Secretary Karen Lucido. Pension Board Member Fire Marshal Mark Morrison was absent.

The following guests were present: Attorney Rhonda O'Brien, Jim Ladlie, RPA, Andy Trachsel, RPA, and Josh Schwartz, RPA.

A motion was made by Director Laughlin to approve the prior Regular Pension Board Meeting of December 13, 2016, Special Pension Board Meeting of December 29, 2016, and Special Pension Board Meeting of February 23, 2017 as presented, seconded by Captain Alcorn. Upon roll call the vote was:

- Ayes: 4 – Directors Laughlin, Gober, and Simmons
Pension Board Member Alcorn
 - Nays: 0 – None
 - Absent: 1 – Morrison
- Motion declared and carried.

OLD BUSINESS

There was further discussion regarding Plan Document Amendments in reference to the 457 Match. Attorney O'Brien explained the amendments, stating everything was approved, completed, and documents forwarded to AUL who will make them available on their website. Attorney O'Brien stated the District should be prepared to begin making contributions.

There was further discussion regarding the Retiree Health Insurance Trust Documents. Attorney O'Brien reviewed the documents, stating they were ready for the Pension Board's recommendation for approval by the Board of Directors. The Trust document and exhibits should be completed and ready for Board approval by the end of

March, and go into effect April 1, 2017. Chief Vineyard stated he talked with the Actuary: Ekon Benefits, regarding their cost estimate seeming high. After discussion it was determined that Ekon Benefits doubled costs because they used the number of employees plus spouses. Once they adjusted their numbers to reflect only the number of employees the cost-estimate for funding the Trust was greatly reduced. Director Laughlin requested clarification on funding the plan. Per Chief Vineyard: Current assets remain in the plan, but additional monies can be modified by the Board. Attorney O'Brien stated there is *no* provision in the plan for this benefit to grow with COLA. Discussion held regarding the Trust Plan's terms. A motion was made by Director Laughlin to approve Resolution 2017-005 recommending Board adoption of three documents to implement a Retiree Medical Premium Reimbursement Program as presented; Resolution attached as Exhibit I, seconded by Director Simmons. Upon roll call the vote was:

| | |
|---------|---|
| Ayes: | 4 – Directors Laughlin, Gober, and Simmons Pension Board Member Alcorn |
| Nays: | 0 – None |
| Absent: | 1 – Morrison |

Motion declared and carried.

There was further discussion regarding funding the Trust for Retiree Health Insurance. Mr. Ladlie stated RPA will handle funding, and should have documents to Attorney O'Brien for her review in March.

There was further discussion regarding placing an RFP for Recordkeeping. Mr. Schwartz-RPA handed out a presentation regarding RPA's proposal to handle a RFP for Recordkeeping. Mr. Schwartz reviewed AUL's current plan structure, and that having RPA as servicing the Plan with AUL as Recordkeeper keeps conflicts of interest away. Mr. Schwartz reviewed the Recordkeeper's fee structure and how to determine if it is a good value, stating the District's total cost equals 1.23% with 23% of that going to RPA and the remainder shared between AUL and fund companies. Discussion held. Consensus that it is possible to get the District's fees for the plan lowered by 10% or more by conducting a RFP. Mr. Schwartz explained that OneAmerica (AUL) has a bundled cost structure, offering approximately 400 funds, and best practice is to break apart the cost structure, and an open architecture could make 10,000 funds available. Discussion held about choosing appropriate funds. RPA proposed the District retain them to coordinate placing a RFP for Recordkeeping, Administration and Compliance at

a cost of \$22,500.00. The last RFP for these services was handled by the District in-house with Attorney O'Brien, and Captain Alcorn stated this was a long, complicated process. Discussion held pertaining to Artesys which can only be used if we stay with AUL. Mr. Ladlie explained how the District can build a toolbox that equals or exceeds Artesys, and RPA can provide an Artesys-style option.

RPA exited the meeting at 7:45 p.m.

Discussion held about RPA's proposed fees for placing an RFP and whether this could be handled just as well in-house. Attorney O'Brien stated RPA cannot receive commission for moving monies to another firm, but the value of having RPA involved in the RFP is their interpreting the results/bids. Chief Vineyard will obtain costs other fire districts have paid when placing this type of RFP. Consensus to place this on the Pension Board's May Agenda for further discussion.

Director Gober exited the meeting at 7:55 p.m.

There was further discussion regarding separating the 457 Plan from the Money Purchase Plan within AUL's records. On hold until decision whether to place RFP.

NEW BUSINESS

At 7:55 p.m., Attorney O'Brien conducted Pension Board Training, reviewing slides and information for Pension Board Members. Pension Board Training concluded at 8:55 p.m.

Chief Vineyard thanked Attorney O'Brien for all her work in putting together the Retiree Health Care Trust which will be a great benefit for the employees, and thanked the Board of Directors for having the foresight to put this Trust in place.

Director Laughlin announced the next Pension Board Meeting is scheduled for Tuesday, May 16, 2017 at 7:00 p.m., in the Administration Building Boardroom.

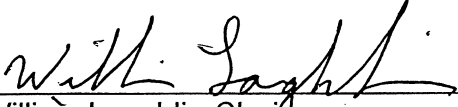
A motion was made by Director Laughlin to adjourn the meeting, seconded by Captain Alcorn. Upon roll call the vote was:

| | |
|---------|--|
| Ayes: | 3 – Directors Laughlin, and Simmons Pension Board Member Alcorn |
| Nays: | 0 – None |
| Absent: | 2 – Morrison, Gober |

Motion declared and carried.

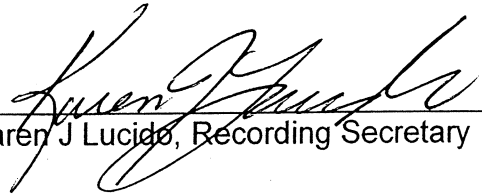
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There being no further business, the meeting was adjourned at 9:05 p.m.



William Laughlin-Chairman

ATTEST:



Karen J Lucido, Recording Secretary

Approved Copy



EXHIBIT I

RESOLUTION 2017-005

RESOLVED, the Board of Trustees hereby recommends to the Board of Directors of the District, the adoption of three documents to implement a retiree medical premium reimbursement program. The documents are as follows:

- (1) The O'Fallon Fire Protection District Post-Retirement Medical Premium Reimbursement Plan;
- (2) The OPEB Trust Agreement; and
- (3) A Funding Policy;

all subject to such further changes prior to the Board of Directors meeting as are approved by legal counsel and other advisors to the District.

DATED this _____ day of February 2017.

O'FALLON FIRE PROTECTION DISTRICT
PENSION BOARD OF TRUSTEES

By: _____

COPY

William Laughlin, Chairman
Board of Trustees

By: _____

Matthew Gober - Board of Trustees

By: _____

Matthew Simmons - Board of Trustees

By: _____

Michael Alcorn - Board of Trustees

By: _____

Mark Morrison - Board of Trustees

ATTEST:

Karen Lucido, Administrative Assistant/Records
to the Board of Directors