

**MINUTES OF THE REGULAR MEETING OF
THE O'FALLON FIRE PROTECTION DISTRICT
PENSION BOARD
May 16, 2017**

A regular meeting of the O'Fallon Fire Protection District Pension Board was held on May 16, 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 on the outside wall of the Administrative Offices. Board Secretary Lucido

conducted *Roll Call*: Present: Director Bill Laughlin, Director Matt Gober (7:05pm),

Director Matt Simmons, Pension Board Member Captain Mike Alcorn, and Pension

Board Member Mark Morrison. The following staff members were present: Pension

Board Secretary Karen Lucido. Chief Vineyard was excused.

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 minutes of February 28, 2017 as presented, seconded by Director

Simmons. Upon roll call the vote was:

Ayes: 3 – Directors Laughlin, and Simmons
Pension Board Member Alcorn

Nays: 0 – None

Abstain: 1 - Pension Board Member Morrison

Absent: 1 – Director Gober

Motion declared and carried.

OLD BUSINESS

There was further discussion regarding funding the OPED Trust Agreement. Per

Attorney O'Brien: She has been working with the District's Retiree Committee and RPA

to finalize an Investment Policy Statement and Investment Advisory Service Agreement

that would implement the Trust for Retiree Health Insurance Benefits. The Pension

Board will supervise the investment and approve the Investor Advisory Agreement.

Chief Vineyard is working out the payment of benefits. Per Captain Alcorn: The District

has requested that RPA manage the Trust funds. These documents were placed for

review with District Shop members with no recommendations or changes received. Per

Fire Marshal Morrison: Funds can only be used for Retiree Health Insurance once

funds are placed in the Trust.

Approved
at
4-26-18
Board
Meeting

APPROVED
at
4-26-18
Board
Meeting

Jim Ladlie-RPA handed out information regarding opening the Trust account. Per Andy Trachsel: The Investment Policy Statement states how the Trust will be run and gives guidelines for the discretionary account. Reviewed *Table 1 – Asset Class Allocation* of the Investment Policy Statement regarding managing the funds in the Trust, and gave an in-depth review of the types of funds that could be held in the Trust. Discussion held on the Actuary Statements and estimate of how pay outs will occur; Attorney O'Brien will send RPA the most recent Actuary estimates. Discussion held on funding the Trust; consensus that there will be one major annual contribution, with possibly several small contributions throughout the year. Attorney O'Brien stated the District already has money earmarked in their Reserves to initially fund this Trust. She recommended the Board authorize Director Laughlin and Chief Vineyard to implement the Trusts paperwork, checking account, and to sign any account documents needed to open or close accounts. She stated the Investment Policy Statement is a living document that is amendable, however, once Funds are placed in the Trust, they must remain in the Trust solely for Retiree Health Insurance.

Jim Ladlie stated that RPA will choose the funds, watch them, and make funding decisions, reporting back to the Pension Board. At their semi-annual reviews they will benchmark their performance for the Board's review. The Pension Board can at any time express concerns and/or request changes by RPA. The risk exposure ultimately rests with the Pension Board and it must inform RPA whenever they are uncomfortable with any of RPA's investments.

Discussion held on funding the Trust, and how to administer the Trust. Attorney O'Brien recommended one booklet be put together with all the Trust Plan documents and policies for receiving Retiree Benefits. A motion was made by Director Laughlin to approve Resolution 2017-007 recommending adoption of the Investment Advisory Services Agreement, and the District's Post-Retirement Medical Premium Reimbursement Plan Investment Policy Statement, as presented, approving Director Laughlin and/or Chief Vineyard to execute the necessary documents to implement the Plan, and authorizing Director Laughlin and/or Chief Vineyard to sign all account opening and/or closing documents; Resolution 2017-007 attached as Exhibit I, seconded by Director Simmons. Upon roll call the vote was:

Approved at 4-26-18 Board Mtg

Ayes: 5 – Directors Laughlin, Gober, and Simmons
Pension Board Members Morrison and Alcorn
Nays: 0 – None
Absent: 0 – None
Motion declared and carried.

There was further discussion regarding placing an RFP for Recordkeeping. RPA handed out and reviewed slides titled Retirement Plan Review. The current fee structure is 1.23% and RPA believes a possible fee structure based on recent RFPs could be reduced to 1.11%, which would result in annual savings of \$18,000 or more. He stated that RPA recently conducted an RFP for a St. Louis county fire department, and they were able to go to a company offering a Fixed Account return of 1.6%, which the District should be able to also achieve. For District members fixed rates of 1.60% could result in a participant's annual increased earnings of \$2,100 or more. Mr. Schwartz stated that as District members get closer to retirement, a Fixed Account will be a very important tool, so getting the best rate is in each employee's best interest. He stated currently through AUL, the mutual fund platform only has 400 available options and they are bundled. RPA prefers an open architecture platform that would make 10,000 funds available, and be fully unbundled, offering institutional pricing. Discussion held on Artesys' fees to each employee that uses this service, and the many like-options that are performing as well available in the marketplace. RPA is proposing the District retain them to coordinate an RFP for Recordkeeping, Administration, and Compliance. This would be a one-time RFP, where RPA will develop employee communication and education; draft RFP questionnaire; summarize submissions and present findings to Board; coordinate finalist presentations; provide final summary and recommendations, and conduct transition meetings, for a total fee of \$21,375.00. The RFP process would take approximately 6 months to complete.

Jim Ladlie exited the meeting at 8:01 p.m.

NEW BUSINESS

Andy Trachsel handed out RPA's 2017 First Quarter Investment Due Diligence Report. In-depth review included: Plan assets continue to grow; plan asset allocation is very aggressive, but this plan is participant directed mainly through Artesys. Reviewed the approved changes made in fourth quarter 2016; asset classes, and fund statistics.

Approved at 4-26-18 Board Mtg

und Performance, Peer Rankings, and funds on Watch were reviewed. RPA has no und change recommendations at this time.

Andy Trachsel and Josh Schwartz exited the meeting at 8:16 p.m.

Discussion held regarding placing an RFP for Recordkeeper. Agreed that the Board has a fiduciary responsibility to periodically see what else is available in the marketplace. Discussion about alternatives to Artesys if the District moves away from AUL. Discussion held regarding current fees paid to AUL, and receiving a higher return on the Fixed Account. RPA's proposal for placing an RFP was reviewed; and discussion of how intensive and involved this type of RFP became when the District placed it themselves several years ago. A motion was made by Director Laughlin to recommend Board approval of RPA to place an RFP for Recordkeeping, Administration and Compliance for a fixed fee of \$21,375.00, and authorizing Attorney O'Brien to act on behalf of the District in working with RPA and the RFP process, seconded by Director Gober. Upon roll call the vote was:

- Ayes: 5 – Directors Laughlin, Gober, and Simmons
Pension Board Members Morrison and Alcorn
- Nays: 0 – None
- Absent: 0 – None
- Motion declared and carried.

Attorney O'Brien stated she will work with RPA to obtain a finalized contract for their services for placing an RFP prior to the May 25, 2017 Regular Board Meeting.

Director Laughlin announced the next Pension Board Meeting is scheduled for Tuesday, August 15, 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: 5 – Directors Laughlin, Gober, and Simmons
Pension Board Members Morrison and Alcorn
- Nays: 0 – None
- Absent: 0 – None
- Motion declared and carried.

There being no further business, the meeting was adjourned at 8:30 p.m.


William Laughlin-Chairman

ATTEST: 
Karen J Lucido, Recording Secretary

RESOLUTION 2017-007

RESOLVED, the Board of Trustees hereby approves the following documents in connection with implementation of the investment of the assets of the O'Fallon Fire Protection District OPEB Trust which funds the retiree medical premium reimbursement program: (1) Investment Advisory Services Agreement; and (2) The O'Fallon Fire Protection District Post-Retirement Medical Premium Reimbursement Plan Investment Policy Statement. The Trustees are hereby authorized to execute the Investment Advisory Services Agreement.

RESOLVED, the Trustees authorize Trustee, William Laughlin, who also serves as Chairman of the District's Board of Directors and/or Chief Thomas Vineyard to execute those documents necessary to implement the custodian relationship as provided in the Investment Advisory Services Agreement, subject to approval of said documents by legal counsel.

RESOLVED, the Trustees authorize Trustee, William Laughlin, who also serves as Chairman of the District's Board of Directors and/or Chief Thomas Vineyard to execute those documents necessary to implement any trust checking accounts or other bank accounts necessary to pay benefits and or expenses of the OPEB Trust and the Post-Retirement Medical Premium Reimbursement Plan at such institutions as are approved for the deposit of the District's funds, and all account opening documents.

DATED this 16 day of May 2017.

O'FALLON FIRE PROTECTION DISTRICT
PENSION BOARD OF TRUSTEES

By: William Laughlin
William Laughlin, Chairman, Board of Trustees

By: Matthew Gober
Matthew Gober - Board of Trustees

By: Matthew Simmons
Matthew Simmons - Board of Trustees

By: Michael Alcorn
Michael Alcorn - Board of Trustees

By: Mark Morrison
Mark Morrison - Board of Trustees

ATTEST:

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

Approved at 4-26-18 Board Mtg

COPY
APPROVED COPY
COPY