

MINUTES OF THE REGULAR MEETING OF
THE O'FALLON FIRE PROTECTION DISTRICT
PENSION BOARD
May 12, 2014

Approved,
Board Mtg
OF
8-28-14

A regular meeting of the O'Fallon Fire Protection District Pension Board was held on May 12, 2014, at Station #1, 119 East Elm Street, 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 at Station No. 1. Board Secretary Lucido conducted *Roll Call*: Present: Director Bill Laughlin, Director Matt Gober, Director Matt Simmons, Pension Board Member Captain Mike Alcorn, and Pension Board Member Fire Marshal Mark Morrison; all members present. The following staff members were present: Financial Director Bob Cerrano, Shift Chief Emge, and Pension Board Secretary Karen Lucido.

The following guests were present: Attorney Rhonda O'Brien, RPA Representatives Jim Ladlie, Andy Trachsel, and Joshua Schwartz; AUL Representative-Sherri Cullen, and Artyses Representative Dominick Trupiano.

A motion was made by Director Laughlin to amend the Agenda by adding Item (a) Investment Policy under Old Business, seconded by Director Simmons. 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.

A motion was made by Director Laughlin to approve the prior Regular Pension Board Meeting minutes of March 31, 2014, as presented, seconded by Director Simmons. 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.

OLD BUSINESS

There was further discussion regarding the District's Investment Policy. Attorney O'Brien stated RPA reviewed the Statement and had minor changes; no substantive changes were recommended. The changes included:

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- Page 2: reference to overall program
- Page 4: Proxy Statements go to One America who votes for clients; Attorney O'Brien had no issue with this since they are mostly mutual funds.

- Page 5: Change "may" to "will" as plan must maintain QDA.
- Page 12: Gives RT Jones (Artesys) 7 funds to pick; RPA can give their opinion of funds but if Artesys wants to keep fund in their line-up, RPA is not responsible. RPA is designated as the District's Registered Investment Advisor.

After review and discussion of the proposed changes to the Investment Policy, a motion was made by Director Laughlin to approve the amended Investment Policy as presented, seconded by Director Simmons. 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.

NEW BUSINESS

Dominic Trupiano of RT Jones introduced himself and handed out information regarding Artesys. He reviewed his handout, explaining their Offensive and Defensive Portfolios. He gave a history of the firm which was started in 1987. He stated Artesys can add funds to the line up, but are never able to take them off the overall line-up, just remove from Artesys' line-up. Mr. Trupiano stated there is a timeframe for disclosure prior to adding or removing a fund. After an in-depth review of his handout, the Board thanked him for the information.

Sherri Cullen of AUL handed out information from One America that included a Services Agreement and Fee Disclosure, Participant Fee Disclosure, Peer Analysis & Review Report, and Investment Information. Ms. Cullen stated that the Participant Fee Disclosure should be sent to all plan participants. She reviewed the available funds from AUL explaining that anything marked red is considered a failing fund. Director Simmons asked if this plan is good enough to let our firefighters be able to retire. Josh-RPA stated their goal is to continue working with the District to make the line-up better. There were no further questions or comments for Ms. Cullen. The Board thanked her for the presentation.

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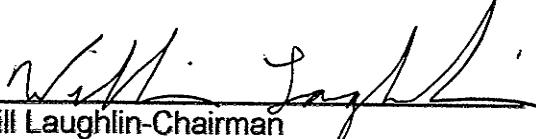
Jim Ladlie of RPA handed out their Plan Update and Investment Policy Review. He introduced Andy Trachsel and Josh Schwartz from his firm. He stated they do group plans and education and one-on-one meetings for financial plans, which can be conducted at the District or their offices, and encourage spouses to attend. He stated he and Andy Trachsel conduct full Financial Plans. RPA has conducted employee group presentations and have met with 43% of the employees one-on-one, and plan on returning to the District in September for further employee meetings. Director Gober requested clarification on what their Financial Plan entails; it includes a person's assets and all debts including mortgage, life insurance, and forecasting what it will take to retire. He conducted an in-depth review of RPA's handout that included: Plan Summary, Morningstar Category Analysis, Peer Group Performance Test History, and First Quarter 2014 Market Outlook. Discussion held regarding risk assessment, fund volatility and the emotions of investing. He reviewed overall fund performance and specific funds, stating overall target funds are not great and they are looking at other Asset Allocation Funds other than One America. He identified their Fund Watch List, and said 92% of the Plan Assets are in funds doing well. He discussed how many employees have taken 457 Loans and they would like to educate the employees to get that reduced. Captain Alcorn noted that 43% of our employees doing an initial plan with RPA is a great success as it takes time to build up trust. The Board thanked RPA for attending and for doing a good job meeting with District's employees.

Director Laughlin announced the next Regular Pension Board Meeting is set for Monday, August 4, 2014 at 7:00 p.m.; Pension Board Training.

A motion was made by Director Laughlin to adjourn the meeting, seconded by Director Simmons. 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 8:35 p.m.


Bill Laughlin-Chairman

ATTEST:


Karen J Lucido, Recording Secretary