

**MINUTES OF THE REGULAR MEETING OF
THE O'FALLON FIRE PROTECTION DISTRICT
PENSION BOARD
August 17, 2021**

A regular meeting of the O'Fallon Fire Protection District Pension Board was held on August 17, 2021, via Zoom video conference due to COVID-19. 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 Members Captain Mike Alcorn, and Fire Marshal Mark Morrison. The following staff members were present: Chief Vineyard, Assistant Chief Ken Vomund, Assistant Chief Andy Parrish, Battalion Chief Brian Moore, Captains Gary McCutchen, Kevin Davis, Shift Reps Firefighter Brett Tichenor and Jeff Smith, numerous District employees, and Pension Board Secretary Karen Lucido.

The following guests were present: Attorney Rhonda O'Brien, and RPA Representatives: Jim Ladlie, Rob Mangano, and Zach Karras.

A motion was made by Director Laughlin to approve the prior Regular Pension Board Meeting minutes of May 18, 2021 as presented, seconded by Director Gober. Upon roll call the vote was:

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

OLD BUSINESS

There was further discussion regarding the Pension Committee. Chief Vineyard stated he sent out pension documents to committee members requesting feedback; several questions and comments were received; Attorney O'Brien stated we are working on a draft addressing those. She stated RPA would review their presentation this evening regarding the Money Purchase Plan assets being rolled into the defined benefit plan. The money purchase plan is partially invested in a fixed rate investment, that RPA will address.

Approved at 9-23-21 Board Mtg

NEW BUSINESS

Mr. Karras reviewed RPA’s presentation addressing their recommendations regarding the SAGIC fixed offering in the current money purchase and 457 plans, stating assets will fall below the \$1 million threshold when money purchase assets are rolled out of it, and per the current contract with Empower will then lose the 10% return guarantee. He explained why monies will be rolled out of SAGIC pursuant to the defined pension plan, and how the 10% return works with this fixed account (SAGIC). Discussion held regarding RPA’s recommendation of mapping the SAGIC assets to Western Asset Core Bond Fund now rather than waiting until December. Mr. Karras explained the SAGIC account has a principal guarantee by Empower, where the Western Asset Core Bond Fund’s principal is not guaranteed, nor are any other bond funds in this class, but the move must be made in December, and it is beneficial to do it now while the market appears stable. 457 Plan assets will also be affected. The process can take weeks after Empower is notified. Discussion held.

Attorney O’Brien reviewed the Resolution that would authorize Chief Vineyard and legal counsel to work with Empower to prepare an amendment to the Money Purchase Plan, and permitting the transfer of plan account balances to the defined plan after its adoption, and authorizes termination of the SAGIC investment and transfer of those liquidated assets to the Western Asset Core Bond Fund. Discussion held.

A motion was made by Director Laughlin to approve a resolution recommending the District authorize legal counsel and Chief Vineyard to work with Empower to prepare an amendment to the Money Purchase Plan and terminate the Separate Account Guaranteed Interest Contract (SAGIC) as stated in Resolution 2021-06, seconded by Pension Board Member Alcorn. Upon roll call the vote was:

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

Consensus that a meeting of the District’s Board of Directors should be held as soon as possible to approve the Pension Board’s recommendations in Resolution 2021-06. Consensus from Directors Laughlin, Simmons, and Gober to hold a Special Board Meeting Thursday, August 19, 2021, at 7:00 p.m., via Zoom.

Approved at 9-23-21 Board Mtg

Discussion that a Special Pension Board meeting will need to be held in September to review and recommend Board approval of the final defined pension plan documents. Chief Vineyard will notify Pension Board members, Legal Counsel, and RPA, of a recommended special meeting date once documents are ready.

Director Laughlin announced the next regular Pension Board Meeting is scheduled for Tuesday, November 16, 2021 at 7:00 p.m.; noting that a Special Pension Board Meeting will be scheduled in September and will be announced when the date is fixed.

A motion was made by Director Laughlin at 7:31 p.m. to adjourn the meeting, seconded by Director Gober. Upon roll call the vote was:

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

There being no further business, the meeting was adjourned at 7:31 p.m.


William Laughlin-Chairman

ATTEST: 
Karen J Lucido, Recording Secretary

Approved at 9-23-21 Board Mtg

RESOLUTION 2021-06

WHEREAS, the Board of Directors has determined, effective January 1, 2022, to adopt a defined benefit pension plan and intends to transfer account balances derived from employer contributions, referred to by the District's service providers as PS/MP contributions, from the District's Money Purchase Plan to the new defined benefit pension plan; and

WHEREAS, as a result of the foregoing restructuring, the Money Purchase Plan and the 457 Plan will no longer meet criteria necessary to continue the MassMutual Separate Account Guaranteed Interest Contract investment on the plans' investment platform and the District has been advised by RPA that this is an advantageous time to terminate this contract.

Now therefore, moved that the Board of Trustees recommend to the Board of Directors of the District

1. That the District authorize legal counsel and Chief Vineyard to work with Empower to prepare an amendment to the Money Purchase Plan effective December 31, 2021, freezing accruals of money purchase contributions under the Plan (matching contributions shall continue), vesting participants 100% in their PS/MP contribution account balances; and permitting the transfer of PS/MP account balances to the defined benefit plan, after its adoption.
2. That the District terminate the Separate Account Guaranteed Interest Contract investment maintained for the Money Purchase Plan and the 457 Plan and transfer the liquidated assets to the Core Asset Bond Fund currently on the investment platform for both plans.

This Resolution, having been duly considered and voted upon by the Pension Board of the O'Fallon Fire Protection District in a meeting held on the 17th day of August 2021, is now duly adopted, enacted and effective.

ADOPTEE:
O'Fallon Fire Protection District


William Laughlin, Chairman

ATTEST:


Karen Lucido, Secretary
OFPD Pension Board