

Fenton Fire Protection District

Pension Board of Trustees Meeting

January 27, 2022

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A Pension Board of Trustees meeting was held via video conferencing on Thursday, January 27, 2022, originating at the Fenton Fire Protection District, 845 Gregory Lane, Fenton, Missouri 63026.

Chairwoman Beth L. Viviano called the meeting to order at 11:00a.m.

ROLL CALL:

The following Directors answered Roll Call:

Beth L. Viviano
Jennifer Grimes
Tom Ascheman (Absent)

Also present was:

Romona Kaminski	District Chief
Chris McCarthy	Assistant Chief
Daniel McLaughlin	District Legal Counsel
Tom Meyer	FFPD Pension Board of Trustee
Tony Royslance	FFPD Pension Board of Trustee
Aaron Schlipman	Lockton Advisor
Pete Fogle	One America, Sales Director
Kevin Osinski	One America, Lead Actuary
Rebecca Deluga	One America, Actuary
Brett Mueller	Shop Steward

Chairwoman Viviano ruled that a quorum was present and called the meeting to order.

AGENDA

1. Fenton Fire District Pension Plan service provider role players

The meeting began with the introduction of all participating members. Chief Kaminski introduced the members of The Pension Board of Trustees to One America. Mr. Kevin Osinski introduced the OneAmerican team members and their roles and responsibilities at OneAmerica.

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2. Participant Website Demo

a. Landing Page Features

Mr. Pete Fogle from One America presented the FFPD Pension Board of Trustees with a look at the interactive pension website. This website would be available to all members who register for the site.

b. Calculation Demo

One significant feature of the website is the pension calculator. A participant can plug in their anticipated retirement dates and it will calculate that individual's estimated benefit. If an individual wants an official actuarial completed, a request will need to be sent to the chief of the department. The calculator can estimate future benefits and optional forms of payments using current pay and projected service.

The Pension Board of Trustees liked the layout of the website and approved OneAmerica to move forward with the project.

3. Longevity Program

c. Revised Cost Estimates

Mr. Kevin Osinski compared OneAmerica's calculation of the plan's pension liability compared to Aon's results and noted that the differences were mostly the result of data clean-up. He also reviewed the pension costs of the **longevity program**, building upon Aon's initial analysis which measured only the first year cost. OneAmerica's analysis reflected the step raises for employees in the first five years of employment plus the future impact of the longevity program in the pension liability. The study showed that the estimated increase in the pension liability due to the longevity program (and step raises) was approximately \$924,000, which is funded over twenty years. In addition, the increase in annual cost of benefit accruals is \$78,687. In total the longevity program cash cost is approximately \$168,000 per year over the next 20 years. For more information see attached document: "Fenton Fire Protection District Longevity Impact on 1/1/2021 Valuation"

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d. Future Rate of Pay Annual Increase Assumption: 3.75% vs 3.00%

Along with the analysis, a discussion ensued regarding Fenton's valuation assumptions. Namely, the 6.5% rate of return per year coupled with the 3.75% annual raise. The Trustee's believe that a 3.00% annual pay raise assumption will be more reflective of future annual pay raises (in addition to the longevity program) and voted to change the annual pay raise assumption from 3.75% to 3.00%. In addition, going forward the actuarial valuation will include and assumption for the step raises that occur in the first 5 years of employment and the longevity program increases.

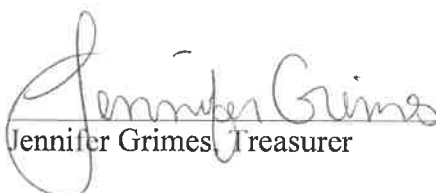
Kevin Osinski also noted that the Actuarial Value of Assets (the valuation assets used to determine the annual funding contribution) is significantly less than the market value of assets. He pointed out that this because the Actuarial Value of Assets is determined using a five-year smoothing method, that is, recognizing gains and losses over the plan's expected return, over a period of five years. This method is a good way to control volatility but once a significant difference arises after a period of time, it may be good to "fresh-start" the method by setting the Actuarial Value of Assets equal to market value of assets and restart smoothing going forward. Once preliminary 2022 valuation results are developed OneAmerica will discuss the pros and cons of applying the fresh-start.


4. Conclusion

Pension Board of Trustees thanked OneAmerican and Aaron Schlipman for their time. The Board will plan to see Aaron Schlipman at a board meeting in February. Meeting was adjourned at 12:30pm.

Respectfully submitted and attested to by:


Beth L. Viviano, Chairwomen


Jennifer Grimes, Treasurer


Tom Ascheman, Secretary

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Special Meeting of the Board of Directors

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A meeting of the Board of Directors of the Fenton Fire Protection District (hereinafter called the "District") was held via video conferencing on Wednesday, January 27, 2022, originating at the Fenton Fire Protection District, 845 Gregory Lane, Fenton, Missouri 63026.

Chairwoman Beth L. Viviano called the meeting to order at 1:00p.m.

ROLL CALL:

The following Directors answered Roll Call:

Beth L. Viviano
Jennifer Grimes
Tom Ascheman (Absent)

Also present was:

Romona Kaminski	District Chief
Chris McCarthy	Assistant Chief
Daniel McLaughlin	District Legal Counsel
Brett Mueller	Shop Steward
Steve McKinney	Assistant Shop Steward
Kimberly Smith	Office Manager
Scott Robson	Consultant Assured Partners Cornerstone, LLC

Chairwoman Viviano ruled that a quorum was present and called the meeting to order.

OLD BUSINESS

Scott Robson with Assured Partners Cornerstone, LLC discussed the insurance offering from the PFEM IAFF Local 2665 Health and Welfare Trust. The overall premise behind this insurance offering is sustainable medical insurance for Fire Districts. The goal is to lower premiums by leveraging a higher number of subscribers to the plan. Another goal is to gain transparency with claims data to move to a self-funded plan at a future date. The hope is to also eventually offer paid medical insurance coverage to retirees.

Scott Robson walked through the steps the Welfare Trust has laid out for the next several years and the three sample plan designs under consideration. A lengthy discussion ensued about rate guarantees over the first three years, possible changes to a Health Savings Account (HSA) for the Fenton Fire Protection District and funding mechanisms of the plan.

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Scott Robson and Daniel McClaughlin spoke about how the switch from the current Steering Committee to a decision-making Board would look like.


ADJOURNMENT

There being no further business before the Board of Directors, at 2:45 p.m., it was

Moved by Director Grimes, and seconded by Director Viviano to adjourn the meeting.
Motion approved and unanimously carried 2-0.

Respectfully submitted and attested to by,


Beth L. Viviano, Chairwoman


Jennifer Grimes, Treasurer


Tom Ascheman, Secretary