



Minutes of the Pension Meeting of the Board of Directors  
Of the Wentzville Fire Protection District  
April 27, 2021

The Pension Board Meeting of the Wentzville Fire Protection District was held on April 27, 2021 via video conferencing due to the COVID-19 pandemic and current CDC restrictions at 6:00 p.m.

Chief Schneider called the meeting to order at 6:00 p.m. and led the Pledge of Allegiance.

Roll Call: Chief Schneider called roll; three pension board members were present. Director Jennifer Houston, Director Frank Grassmuck, Captain Fred Hohenshell.

Also, in attendance were Assistant Chief John LeDoux, Deputy Chief Michael Scott, Fire Marshal Chris Cuddihee, Battalion Chief Willie Meyer and Shop Steward Max Mueller, Assistant Shop Steward Bryan Notheis as well as Legal Counsel Dan McLaughlin, Jonnie Carlo, Empower, Hannah Leone and Dan Ladd, Foundation Wealth Management, Heath Merlak, and Elizabeth Wiley from Nyhart and Chris Williams, Aviben.

Director Grassmuck made a motion to approve the agenda as presented it was seconded by Director Houston Director Hawkins-absent, Director Houston-aye, Director Grassmuck-aye, Captain Fred Hohenshell-aye, Firefighter Paramedic Pat Szarwinski -absent.

Director Grassmuck motioned to approve the Pension Board Meeting Minutes of January 28, 2021. The motion was seconded by Director Houston. Director Hawkins-absent, Director Houston-aye, Director Grassmuck-aye, Captain Fred Hohenshell-aye, Firefighter Paramedic Pat Szarwinski -absent.

Validate new pension board, current trustees were nominated and elected by acclamation. Fred Hohenshell and Pat Szarwinski will remain on the Pension Board. The vote was open from March 9-March 26, 2021.

Approval of Procurement Action Plan, Statute 105.702 requirements, renewal of past practice. Chief Schneider read the plan and a copy will be in the minutes. Director Grassmuck motioned to adopt the Procurement Action Plan Director Houston seconded. Director Hawkins-absent, Director Houston-aye, Director Grassmuck-aye, Captain Fred Hohenshell-aye, Firefighter Paramedic Pat Szarwinski -absent

The meeting then moved to quarterly reports from the various vendors:

Jonnie Carlo from Empower shared the first quarter report. Ms. Carlo shared the new items at Empower indicating they have 1 trillion in assets and have 89 best in class awards. From operation standpoint she

stated they have 99.99% accuracy, they have had no layoffs, 99% of people are working from home and 52% of leaders are woman. She also reported a client satisfaction rate of 4.4 out of 5. Empower prides themselves on vision, innovation, participant experience. She reminded the board of the acquisition of Mass Mutual, and they continue to grow business, as well as continue to be active in public policy. She stated participant priorities are 80% want help managing financials. She informed the board the participant experience will be revamped to help them to look at spending habit, the online platform will incorporate debt, for better planning. She also reported on legislative update. Ms. Carlo went over the executive summary indicating the lifetime of the 401A plan is 58%, up from last year. Average account balances are up 50% from last year as well. Investment diversification is good, 41% are using target or my total retirement. Participants are using the tools and resources provided. She reported on the 457plan stating plan assets are healthy and 42.5% are using target date funds or my total retirement for asset allocation. She stated the district has a 98% participation rate and that over 35% contribute over 10%. Plan assets continue to grow. There are fewer loans compared to last quarter. Chief Schneider inquired about the date which said 3/31/2020, it should be 3/31/2021, Ms. Carlo will fix it and update. She indicated advisory services have nice usage. She did state there will be a campaign and participants will be emailed to use advisory services, it is for a 90-day free trial, it will start in May. She stated that educations have occurred on February 18, and April 15<sup>th</sup> both virtual. July 16<sup>th</sup> is the next. A few have met with Crystal. She reported the open rate for emails is 66.3% and 21% took the action. Electronic engagement is working.

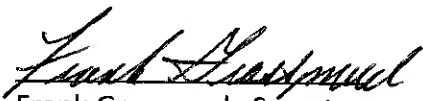
Hannah Leone and Dan Ladd from Foundation Wealth Management provided their due diligence reports. Mr. Ladd spoke of the 35% of participants deferring over 10% and how phenomenal this is. He also stated the Roth contributions are nice to see that participants are taking advantage more and more. He provided a year-to-date summary of Defined Benefit, indicating a net invest gain of 5.5% for DB plan. He also provided the 2020 happenings for the DB plan. The district has reached the target allocations and Mr. Ladd stated they will be rebalancing to 50/50 equities and income. He stated future contributions will determine rebalancing. Currently there is a 1% overweight on the equities. They stated they have completed investment due diligence, and one fund on the watch list. Janus Henderson Enterprise, no changes to implement currently. Since inception the rate of return has been 9.7%. They stated on the Empower plans, there are two on watch list Mid Cap Growth and Small Cap Growth, these will be kept on for 18 months and may improve, same on the HRA as well. No action required at this time. They discussed the 2021 planning, quarterly meetings, and will lead education later this year and provided a 2020 review.

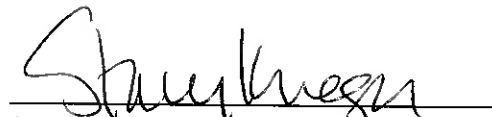
Chris Williams, from Aviben discussed the summary for the Retirement HRA. He stated there have been two withdraws. There was an increase in participant balances and nine new participants were added. There are three participants in the reimbursement phase. He stated as with last quarter the focus has been to get people out of fixed account. He explained the old default was for the fixed account, but the default investment has now been changed for new hires. The fixed account is down 2% from last two quarters, but more participants need to take advantage of the other funds. Dan Ladd from FWM asked, for an educational piece the Chief can distribute to explain how to make the changes. Mr. Williams will send some education pieces. Mr. Williams indicated those taking distributions have transferred to new platform.

Heath Merlak and Beth Wiley from Nyhart provided information on the Defined Benefit plan based on 1-1-2021. They will need approval to issue the report for GASB purposes. Mr. Merlak indicated the current rate of return is 9.7%. He did state the liabilities increased due to salary expectations. Mr. Merlak indicated the plan is in a strong position. For planning purposes, Mr. Merlak recommended to increase the salary scale from 3 to 4%. He stated the plan is 82.4% funded. Since this is still a new plan, going forward they will continue to monitor demographics and have included the Best Practice Review. Mr. Merlak stated of 138 the average funding ratio is at 75% we are at 82%. Those plans also assume a 7.25% rate of return and the district is using 5%. Mr. Merlak explained the Best Practice Score indicating green check marks are good, yellow needs some work, blank needs focus. The district's score has lots of green check marks, and one yellow in valuation market value of assets, this is because the plan is new. As the plan grows consider asset smoothing techniques over a 3–5-year timeframe, this is something the district will need to consider down the road. Mr. Merlak stated keep doing the great work to get the plan funded. The district is doing a great job from governance perspective. Recommendation to keep up with demographics since the plan is so new. The board was asked to approve the data from tonight, Director Houston asked if we can approve next Thursday to allow time for Director Hawkins and Firefighter Paramedic Szarwinski to review. Mr. Merlak indicated nothing is time sensitive for approval and this would be ok.

Board thanked all partners.

Director Grassmuck motioned to adjourn the Pension Board Meeting at 6:55 p.m., it was seconded by Director Houston and unanimously approved by all Pension Board Members. Director Hawkins-absent, Director Houston-aye, Director Grassmuck-aye, Captain Fred Hohenshell-aye, Firefighter Paramedic Pat Szarwinski - absent.

  
Frank Grassmuck, Secretary

  
Stacy Krieger, Recording Secretary