

MINUTES OF AN OPEN MEETING OF THE PENSION PLAN BOARD OF
TRUSTEES
AND WELFARE BENEFITS PLAN
BOARD OF TRUSTEES
OF THE MONARCH FIRE PROTECTION DISTRICT
OF ST. LOUIS COUNTY, MISSOURI, HELD ON
WEDNESDAY, AUGUST 14, 2019

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 - c. Participant Meeting
 - I. September 17 & 18
Chesterfield City Hall
8:30 to 11:30 A.M.
- F. CLOSED MEETING
- G. ADJOURNMENT

MINUTES OF AN OPEN MEETING OF THE PENSION PLAN

BOARD OF TRUSTEES

AND WELFARE BENEFITS PLAN

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WEDNESDAY, AUGUST 14, 2019

Chesterfield, Missouri

August 14, 2019

BE IT REMEMBERED, that the Pension Board of Trustees and the Welfare Benefit Plan (VEBA) Board of Trustees of the Monarch Fire Protection District of Saint Louis County, Chesterfield, Missouri, met at the Administration Building, of said District, 13725 Olive Boulevard, in the City of Chesterfield, County of Saint Louis on Wednesday, August 14, 2019, in a Pension Board of Trustees and a Welfare Benefit Plan (VEBA) Meeting.

At the aforementioned time and place there were present the following Officers, Directors and Trustees:

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P R O C E E D I N G S

7:35 P.M.

TRUSTEE/DIRECTOR GANS: Call to order the Pension Board of the Monarch Fire Protection District Board of Directors.

And, on the agenda, we have approving Meeting Minutes, first.

Are there any Minutes, Madam Secretary?

TRUSTEE/DIRECTOR MILLNER: Yes, there are.

I call for the approval of the Minutes of the Open Board of the -- I'm sorry, the Open Meeting of the Pension Board, held Tuesday, July 16, 2019.

TRUSTEE/DIRECTOR GANS: I'll second the motion.

Any discussion?
(No response.)

TRUSTEE/DIRECTOR GANS: All in favor?

TRUSTEE/DIRECTOR MILLNER: Aye.
TRUSTEE/DIRECTOR HARRIS: Aye.
TRUSTEE/DIRECTOR GANS: Aye.
Motion passes three to nothing.

1 TRUSTEE/DIRECTOR MILLNER: That
2 concludes my report.

3 TRUSTEE/DIRECTOR GANS: All right.
4 Thank you.

5 TRUSTEE/DIRECTOR MILLNER: Hm-hm.

6 TRUSTEE/DIRECTOR GANS: Attorney
7 Report.

8 ATTORNEY KWIATEK: Okay. We have
9 a number of things. I think we'll go over the
10 things that pertain to the transition matters,
11 first.

12 And then the second one, (not
13 clear) and we can discuss the -- the unrelated
14 --

15 TRUSTEE/DIRECTOR GANS: Okay.

16 ATTORNEY KWIATEK: -- the other
17 matters.

18 TRUSTEE/DIRECTOR GANS: Yep.

19 ATTORNEY KWIATEK: Michelle, since
20 you have your notes with you from the meeting
21 today and we haven't gotten those from (not
22 clear) yet, would you mind giving just an update
23 from our call today?

24 MS. DEPEW: Perfect. Sure.

25 First and foremost, I believe

1 everything's on track. I think that's (not
2 clear) that's their overall message I'm wanting
3 to send.

4 There's been a lot going on and
5 there are a lot of moving parts, but everything
6 appears to be on track.

7 There are some minor changes to the
8 fund line-up.

9 ATTORNEY KWIATEK: Yeah. And --
10 and once Michelle gives her -- the summary, I
11 want (not clear) to address what the changes
12 were.

13 TRUSTEE/DIRECTOR GANS: Have we
14 been told --

15 ATTORNEY KWIATEK: And what?

16 TRUSTEE/DIRECTOR GANS: Have we
17 been told the fund line-up?

18 ATTORNEY KWIATEK: Yes. We went
19 over that at the last Board Meeting.

20 TRUSTEE/DIRECTOR GANS: I -- I
21 have my notes.

22 (General chuckles.)

23 ATTORNEY KWIATEK: But it's
24 slightly different now.

25 TRUSTEE/DIRECTOR GANS: All right.

1 So it doesn't matter that I have my notes.

2 ATTORNEY KWIATEK: Correct.

3 TRUSTEE/DIRECTOR GANS: And I
4 don't have all of my notes, anyway, so, go
5 ahead.

6 MS. DEPEW: (not clear) overall,
7 that's where -- where we're at. Ekon is now
8 also started to participate in the weekly
9 calls, so we have Empower, we have Ekon, we have
10 Genex, we have Jamie, we have myself.

11 And there are a lot of moving parts
12 and a lot of people in this.

13 And now we have Leaf House who is,
14 I believe, holding the three-thirty-eight.

15 TRUSTEE/DIRECTOR GANS: So, again,
16 we have who?

17 MS. DEPEW: "Leaf House."

18 ATTORNEY KWIATEK: We are going to
19 have a discussion about that.

20 TRUSTEE/DIRECTOR GANS: Okay.

21 MS. DEPEW: And, then, -- so, once
22 again, everybody --

23 TRUSTEE/DIRECTOR GANS: Is that a
24 person?

25 ATTORNEY KWIATEK: No.

1 MS. DEPEW: A company.

2 TRUSTEE/DIRECTOR GANS: Okay.

3 MS. DEPEW: So, I believe the plan
4 documents and all of those --

5 ATTORNEY KWIATEK: The -- the plan
6 documents, --

7 MS. DEPEW: No, go ahead.

8 ATTORNEY KWIATEK: -- we don't
9 have -- the plan documents -- so the things we
10 went through, during the meeting, were making --
11 Empower is making sure that they have what they
12 need, like, electronically, to actually
13 establish the accounts and transfer data into
14 the accounts.

15 Paychex is doing great with that
16 them and they should have their -- their file,
17 the test file created by middle August.

18 KTrade latitude is a little bit of
19 a problem. Carol is still working with them,
20 just to figure out what they are going to be
21 providing and to make sure they're going to be
22 providing everything Empower needs.

23 If not, Empower will need to key in
24 manually the additional information.

25 Which is going to be a pain.

1 TRUSTEE/DIRECTOR GANS: And -- and
2 you -- you told -- when we asked about that, I
3 believe you told us that typically they
4 cooperate with each other because these things
5 go both ways.

6 ATTORNEY KWIATEK: Yeah.

7 MS. DEPEW: I --

8 ATTORNEY KWIATEK: I mean, this is
9 unusual.

10 So, anyway, they're working on that
11 and she will keep us updated on that.

12 On the fund line-up, there's some
13 changes, so Quint, as I said, will be reviewing
14 that.

15 The plan set-up and the plan loan
16 policy is in review by us. Also, Josie is
17 taking a leave on that, with one of our
18 paralegal's and there is a question -- one issue
19 on that.

20 Once Quint gets his pre's -- his
21 presentation and discusses the fund line-up now,
22 there's -- they have -- I just want to go back
23 on, which is the retirement plan, or the
24 retirement ages, early retirement, normal
25 retirement, because I don't think we came to a

1 decision.

2 We didn't come to it. And -- and
3 I want everybody to understand why -- why its
4 structure doesn't make a whole lot of sense from
5 a legal standpoint.

6 It -- it doesn't do any harm.

7 TRUSTEE/DIRECTOR GANS: It's
8 complicated.

9 ATTORNEY KWIATEK: It's not -- it's
10 not that complicated. It just doesn't make any
11 sense.

12 (General chuckles.)

13 ATTORNEY KWIATEK: So, -- but,
14 we'll talk about why.

15 Anyway, VEBA. Oh.

16 And then there is a communication
17 piece that's being worked on.

18 They need final comments by the
19 20th.

20 Josie has reviewed. She sent me
21 her comments today.

22 Michelle's in review.

23 And when will you have your
24 comments --

25 MS. DEPEW: I've already --

1 ATTORNEY KWIATEK: -- for Josie?

2 MS. DEPEW: -- reviewed and I have
3 my comments and I've already sent it to Adam and
4 Joe, as well and they have sent their comments.

5 ATTORNEY KWIATEK: Okay. So, --

6 MS. DEPEW: And I sent them their's
7 as well.

8 ATTORNEY KWIATEK: But Genex's is
9 already included because Carol made the
10 revisions for those.

11 MS. DEPEW: Hm-hm.

12 ATTORNEY KWIATEK: It's completely
13 confused Josie as to why revisions were being
14 made before she's given the comments.

15 But, I'm going to explain where
16 those were coming from.

17 So, you haven't sent your comments
18 and Joe's and Adam's yet to --

19 MS. DEPEW: No, they --

20 ATTORNEY KWIATEK: -- to Josie?

21 MS. DEPEW: -- have everything,
22 yes.

23 We -- that's -- they're expected in
24 this current document that was sent out.

25 ATTORNEY KWIATEK: Oh, they are?

1 MS. DEPEW: They are. Yes.

2 ATTORNEY KWIATEK: Okay. Josie
3 does not know that.

4 MS. DEPEW: Okay.

5 ATTORNEY KWIATEK: Okay, then.

6 Then I will let her know that. She
7 was expecting you to come back to her before, so
8 that we could get all of our side comments in at
9 one time.

10 MS. DEPEW: Oh, okay.

11 ATTORNEY KWIATEK: But, that's
12 okay. I will let her know that.

13 So, we -- we will have some
14 comments on that.

15 The education meetings are
16 scheduled for September 17th and 18th, so that is
17 good.

18 TRUSTEE/DIRECTOR GANS: And Jean
19 and I are going the 18th.

20 ATTORNEY KWIATEK: Good. Good.

21 MS. DEPEW: I do have a question in
22 regards to this. Empower is asking for an email
23 list. They want to do a mass email.

24 They already have the addresses to
25 send the flyers to the participants and to their

1 house.

2 I'm just looking for approval, or
3 a direction on whether or not you want us to
4 give out the Monarch emails.

5 We haven't, really, in the past, to
6 venders. But, given the importance of this, I'm
7 just looking for some direction from you guys.

8 TRUSTEE/DIRECTOR GANS: Unless
9 there's a legal reason not to do it, I think
10 that it's important to do it.

11 ATTORNEY KWIATEK: Say that again.
12 I was taking notes, so, --

13 MS. DEPEW: Empower's asked for an
14 email list of our employees.

15 ATTORNEY KWIATEK: Oh, right,
16 right. No, you should do that, --

17 MS. DEPEW: Hm-hm.

18 ATTORNEY KWIATEK: -- because,
19 otherwise, they can't send out the notices.

20 MS. DEPEW: Well, I guess, the
21 other question is, I think they plan to use it
22 for future notices, in general, --

23 ATTORNEY KWIATEK: Oh.

24 MS. DEPEW: -- like, we got --
25 like for those who's sending things that are

1 normal, like, --

2 ATTORNEY KWIATEK: Right.

3 MS. DEPEW: -- we've just never
4 had that before, so, I'm not going to issue --

5 TRUSTEE/DIRECTOR GANS: Should we
6 offer the option to our employees of if they
7 wish to use a different email address, that they
8 check more frequently and check when they're
9 off-duty, --

10 ATTORNEY KWIATEK: Sure.

11 TRUSTEE/DIRECTOR GANS: -- to use
12 that instead.

13 ATTORNEY KWIATEK: Sure.

14 TRUSTEE/DIRECTOR HARRIS: But, or
15 no email.

16 Because, you know, --

17 ATTORNEY KWIATEK: Well, it would
18 cost more if they opt out of email and Empower
19 has to mail, you will have mailing charges.

20 TRUSTEE/DIRECTOR GANS: And -- and
21 this is -- and it won't cost the employee. This
22 is District's email.

23 So, first of all, email, not --
24 unlike texts, email is not per letter, or per
25 email, --

1 ATTORNEY KWIATEK: Right.
2 TRUSTEE/DIRECTOR GANS: -- and
3 it's our server. So, --
4 TRUSTEE/DIRECTOR MILLNER: Hm-hm.
5 ATTORNEY KWIATEK: Yeah. I'm just
6 --
7 TRUSTEE/DIRECTOR MILLNER: I think
8 --
9 ATTORNEY KWIATEK: -- saying --
10 TRUSTEE/DIRECTOR MILLNER: -- we
11 recommend --
12 ATTORNEY KWIATEK: -- if they --
13 TRUSTEE/DIRECTOR MILLNER: -- it.
14 TRUSTEE/DIRECTOR MILLNER: -- opt
15 out, if they completely opt out of email and
16 there's a physical, you know, a mail-mail
17 mailing, that's gonna cost.
18 TRUSTEE/DIRECTOR HARRIS: And I --
19 ATTORNEY KWIATEK: That's it.
20 TRUSTEE/DIRECTOR HARRIS: -- I --
21 I understand. It's just because I don't know
22 the participants, there may be some who would
23 prefer to have hard copies --
24 MS. DEPEW: I'm in a little bit of
25 a time crunch. August 20th is the deadline to

1 have this information, so I'm afraid by asking
2 and then waiting for a response, --

3 TRUSTEE/DIRECTOR GANS: Right.

4 MS. DEPEW: -- to build --

5 TRUSTEE/DIRECTOR MILLNER: In case
6 something comes up.

7 MS. DEPEW: Yes.

8 ATTORNEY KWIATEK: Yes.

9 MS. DEPEW: So, I --

10 TRUSTEE/DIRECTOR GANS: She's
11 looking now.

12 MS. DEPEW: Perfect. Thank you.

13 TRUSTEE/DIRECTOR MILLNER: And if
14 somebody says this doesn't work, then you have a
15 plan B.

16 TRUSTEE/DIRECTOR HARRIS: So why
17 don't we, --

18 TRUSTEE/DIRECTOR MILLNER: Personal
19 email.

20 TRUSTEE/DIRECTOR HARRIS: -- you
21 know, certainly you're follow-up email that says
22 you can change your email address and, if you
23 would prefer, we can send, you know, you can get
24 it hard copy.

25 Or, if we get the shop to say

1 "Don't even offer that, because it costs all of
2 us money," I'm -- I'm fine.

3 I just don't want to have somebody
4 who would like --

5 ATTORNEY KWIATEK: I wouldn't --

6 TRUSTEE/DIRECTOR HARRIS: --
7 tangible --

8 ATTORNEY KWIATEK: I wouldn't open
9 that door, unless --

10 TRUSTEE/DIRECTOR MILLNER: Exactly.

11 ATTORNEY KWIATEK: -- a participant
12 comes forward and says --

13 TRUSTEE/DIRECTOR MILLNER: I agree.

14 ATTORNEY KWIATEK: -- they have a
15 problem getting email.

16 Because, once you do, then you're
17 gonna have a whole bunch of people -- some
18 people are gonna get notices, some people aren't
19 gonna get notices and then the question whether
20 are you in compliance says, the communications
21 that you're legally required to send out.

22 So, I -- I would have -- this is
23 the rule and if someone has a problem with it,
24 let them think about approaching Michelle and
25 saying, "Wait, I can't --

1 MS. DEPEW: Well, I would think
2 that (not clear) their individual accounts and
3 log in that they can make those declarations in
4 there --

5 ATTORNEY KWIATEK: Yeah.

6 MS. DEPEW: -- and (not clear)
7 knowing that costs to (not clear).

8 ATTORNEY KWIATEK: Yes.

9 MS. DEPEW: And the other thing is
10 --

11 TRUSTEE/DIRECTOR GANS: Proceed
12 that way, for now.

13 MS. DEPEW: The other thing with
14 this particular notice is that there is a
15 section here that talks about, "If you have any
16 questions, please call," and then "Sincerely."

17 Would you like my name on there?

18 Would you like a Director's name on
19 there?

20 TRUSTEE/DIRECTOR GANS: "Robin
21 Harris."

22 (General laughter.)

23 TRUSTEE/DIRECTOR HARRIS: I don't
24 think you'd (not clear).

25 (Continued laughter.)

1 TRUSTEE/DIRECTOR GANS: Yeah, the
2 guy that's not here.

3 (Continued laughter.)

4 TRUSTEE/DIRECTOR HARRIS: Exactly.

5 MS. DEPEW: So, I'm just looking
6 for some direction on who -- Okay.

7 (Not clear)

8 MS. DEPEW: I will put my name and
9 number and just make sure that's -- I remain the
10 main contact. Thanks.

11 TRUSTEE/DIRECTOR HARRIS: Well, and
12 -- and you would no doubt be the best person, or
13 the person in the best position to direct them
14 if you don't have the answer.

15 MS. DEPEW: Perfect. Okay.

16 ATTORNEY KWIATEK: The self-
17 directed broker application. We have to have
18 that to them very shortly, as well.

19 This is the document where we were
20 never able to find what -- the options that are
21 currently in place.

22 Some of this is (not clear), some
23 of it we haven't and (not clear) through it
24 tonight, we've completed it for you.

25 And we'll review it and we can, you

1 know, change whatever you want to change.

2 I just want to get it done and out.

3 I'd like to wait for at least Adam
4 and/or Joe to get here, because I think their
5 input is really important on that particular
6 document.

7 So, we'll do the other things
8 first.

9 The Services and Trust Agreements,
10 we provided comments. Empower legal is
11 reviewing, but Carol said, on the call today,
12 that they didn't have any initial -- didn't see
13 any big problems with our comments from the
14 initial one, which is good news.

15 Leaf House Agreements, we've
16 received for reviewing.

17 I (one word not clear) two comments
18 back on your agreement, which I will do.

19 And then the Millennium Trust
20 Agreement, was already (loud thump drowns out
21 what was said.)

22 So, that was --

23 TRUSTEE/DIRECTOR GANS: What was
24 the last thing you said?

25 ATTORNEY KWIATEK: The Millennium

1 Trust. It was a trust agreement that pertained
2 to the IRA's.

3 We talked about that many meetings
4 ago. All the issues were resolved on that, for
5 that one, too.

6 TRUSTEE/DIRECTOR GANS: Okay. I
7 won't ask.

8 ATTORNEY KWIATEK: Checked off.

9 MS. DEPEW: And did -- did you have
10 an agreement with Ekon, as well? Did you check
11 that one off?

12 ATTORNEY KWIATEK: Ekon has not
13 sent me any sort of new agreement. So, --

14 MS. DEPEW: Do you want to --

15 ATTORNEY KWIATEK: Yeah, --

16 (Speaking over each other.)

17 MS. DEPEW: Find the exact one?

18 ATTORNEY KWIATEK: Well, if they
19 want one.

20 MS. DEPEW: Okay.

21 TRUSTEE/DIRECTOR GANS: We're --
22 we're expecting Adam in five minutes and Joe in
23 15.

24 TRUSTEE/DIRECTOR HARRIS: Fifteen,
25 yeah. I just didn't see Adam.

1 ATTORNEY KWIATEK: So, I would
2 recommend, now, that we -- well, let's see.

3 Because you probably want them to
4 hear about the funds -- as well.

5 TRUSTEE/DIRECTOR GANS: Well, --

6 ATTORNEY KWIATEK: If possible.

7 TRUSTEE/DIRECTOR GANS: -- yes
8 and no.

9 ATTORNEY KWIATEK: Well, let -- let
10 me talk about one thing that -- it has come up
11 in connection with -- although this doesn't
12 really pertain to this, but, it's come up in
13 connection with all of -- you know, what Paychex
14 did, and those matters?

15 And I'll go into that in more
16 detail.

17 But, we -- and -- and it -- it
18 actually was raised a little bit by something
19 that Michelle said about your employer i.d.
20 number.

21 And there is some confusion about
22 what has what employer i.d. number.

23 Kind of interesting.

24 Because the one that Paychex has on
25 its report doesn't actually exist, according to

1 the IRS.

2 And we don't know whether maybe it
3 did once upon a time and it's -- it expired?

4 I don't even know if they can
5 expire.

6 TRUSTEE/DIRECTOR GANS: Would --
7 would we have a separate employer i.d. for (one
8 word not clear) employment versus pension?

9 ATTORNEY KWIATEK: Well, some --
10 some companies do. Some companies don't.

11 The VEBA should have, and actually
12 does have a separate EIN.

13 MS. DEPEW: And that is where the
14 Paychex VEBA is to pay the VEBA disabilities is
15 at.

16 So we do have two --

17 ATTORNEY KWIATEK: Or, except that
18 they're not using that on --

19 MS. DEPEW: Correct. Except it's
20 not to --

21 (Speaking over each other.)

22 ATTORNEY KWIATEK: They are using
23 --

24 TRUSTEE/DIRECTOR GANS: Are you --
25 are you talking about things that should be in

1 Closed, right now?

2 (No response.)

3 TRUSTEE/DIRECTOR GANS: I think
4 you are.

5 ATTORNEY KWIATEK: Maybe.

6 TRUSTEE/DIRECTOR GANS: Okay.

7 ATTORNEY KWIATEK: Yes. Okay.

8 We'll stop talking about that.

9 TRUSTEE/DIRECTOR GANS: All right.

10 ATTORNEY KWIATEK: So, I think the
11 rest of the things are either things we want
12 Adam and Joe to weigh in on, or, let me see.

13 Quint, do --

14 MISTER HOGREFE: (inaudible.)

15 ATTORNEY KWIATEK: Okay. You have
16 to go --

17 MISTER HOGREFE: (inaudible)

18 ATTORNEY KWIATEK: Yes.

19 And then are there other things
20 that you have to discuss?

21 MISTER HOGREFE: (no audible
22 response.)

23 ATTORNEY KWIATEK: Okay. Good.

24 We'll do Quint now.

25 (General chuckles.)

1 MISTER HOGREFE: (not audible)
2 (General laughter.)
3 TRUSTEE/DIRECTOR MILLNER: Welcome
4 aboard, Captain.
5 TRUSTEE/DIRECTOR GANS: Okay.
6 Just remember who was late getting to her post.
7 TRUSTEE/DIRECTOR MILLNER: Yes.
8 TRUSTEE/DIRECTOR GANS: Just
9 remember who was late getting to her post!
10 TRUSTEE/DIRECTOR MILLNER: Oh,
11 goodness.
12 MS. LONG: I'll make a note of that.
13 TRUSTEE/DIRECTOR GANS: Okay.
14 MISTER HOGREFE: Quint Hogrefe,
15 with Genex Consulting.
16 TRUSTEE/DIRECTOR GANS: Perfect.
17 MISTER HOGREFE: Good to see
18 everybody.
19 TRUSTEE/DIRECTOR GANS: Welcome.
20 MISTER HOGREFE: To echo what
21 Michelle said, I spoke to Carol after our call
22 today and she confirmed, yeah, we're -- we're
23 still on track for that October 1st transfer
24 date.
25 I think it's a good thing we did

1 put it out as far as we did, given all of the
2 moving parts we've got with the plan.

3 But, I think everybody is -- is on
4 the same page here.

5 So, we're tracking well, there.

6 Just wanted to give a couple of
7 quick updates, from our side of the fence, since
8 the last time we were here.

9 Looking forward to the participant
10 meeting on the 17th and 18th.

11 TRUSTEE/DIRECTOR GANS: All right.
12 Let's start over again at the beginning.

13 (Referring to Trustee Stack entering
14 the Board Meeting Room.)

15 ATTORNEY KWIATEK: Yea. Hello.

16 TRUSTEE/DIRECTOR MILLNER: Hi,
17 Adam.

18 MISTER HOGREFE: Fashionably late.

19 TRUSTEE/DIRECTOR GANS: Okay,
20 Adam, you missed -- we didn't say anything
21 important.

22 TRUSTEE STACK: Okay.

23 TRUSTEE/DIRECTOR GANS: Where he's
24 gonna -- Quint just started.

25 TRUSTEE STACK: Okay.

1 TRUSTEE/DIRECTOR GANS: Jamie gave
2 us an update on a few things, but, --

3 TRUSTEE/DIRECTOR HARRIS: I move
4 to --

5 TRUSTEE/DIRECTOR GANS: -- we tried
6 to --

7 TRUSTEE/DIRECTOR HARRIS: -- adjourn
8 the --

9 TRUSTEE/DIRECTOR GANS: -- hold --

10 TRUSTEE/DIRECTOR HARRIS: -- meet-
11 ing.

12 (General laughter.)

13 TRUSTEE/DIRECTOR MILLNER: I
14 second.

15 TRUSTEE/DIRECTOR GANS: All right.
16 So, you --

17 TRUSTEE/DIRECTOR HARRIS: Right.

18 TRUSTEE/DIRECTOR GANS: Go ahead,
19 Quint.

20 MISTER HOGREFE: Very good.

21 Tracking well on the -- on the
22 transition date of October 1st.

23 I would jump right into fund
24 lineups. That was something that I know we
25 talked about a little bit last time.

1 Not only the new proposed funds,
2 but also the mapping from the exiting funds to
3 the new funds.

4 Working with Leaf House Financial.

5 I've heard that term a couple of
6 times here this evening.

7 Leaf House is an independent third
8 party that we partner with to serve in that
9 three-thirty-eight fiduciary role.

10 Some folks, larger investment
11 houses actually offer that in-house.

12 We actually have partnered with
13 Leaf House who also works closely with Empower.

14 So they really monitor and track
15 all of the mutual fund investments and if
16 something is under-performing, or their expenses
17 gets -- get excessive, whatever the case may be,
18 they're actually going to red-flag that and make
19 that move. So, --

20 TRUSTEE/DIRECTOR GANS: Tell me
21 what the relationship -- do we have a
22 relationship with Leaf House, or, is that
23 strictly our relationship was -- is with you and
24 you have it with them?

25 Jamie?

1 ATTORNEY KWIATEK: You will have a
2 relationship with them. We're in the process.

3 They will be serving as the three-
4 thirty-eight fiduciary for the plan.

5 And they will actually be the one
6 selecting the funds, but, Genex will still be
7 the face and the communicator for your
8 participants; will work closely with Leaf House
9 on their decisions and will be the ones who will
10 come to the Board -- Genex will come to the
11 Board Meetings.

12 Leaf House will not.

13 And Genex will be reporting on any
14 recommended changes. Anything that's been put
15 in the watch category. Any concerns.
16 Performance. Etcetera. On the site.

17 So, -- but we -- we do have
18 agreements that we are reviewing and we're
19 requesting we must see more documents so that we
20 could make requested changes to those
21 agreements.

22 TRUSTEE/DIRECTOR GANS: It's --
23 it's an odd position, to me, that they're in.

24 I know that it's unusual.

25 And you mentioned that larger

1 houses have that in-house, but, --

2 ATTORNEY KWIATEK: It is unusual to
3 me. I'll be honest.

4 And Quint and I have talked about
5 that.

6 I haven't seen it before.

7 And because other advisors will
8 work directly in the three-thirty-eight
9 capacity, even if they're, you know, relying on
10 somebody else's research for the funds.

11 TRUSTEE/DIRECTOR GANS: All right.

12 ATTORNEY KWIATEK: So, it -- it's
13 a -- it's -- I'm not used to this structure.

14 TRUSTEE/DIRECTOR GANS: So, if we
15 would be unhappy, and "unhappy" means there's a
16 under performance that has caused some harm,
17 will we ever -- I'm looking over there, not
18 there.

19 Will -- could we ever end up with
20 this?

21 ATTORNEY KWIATEK: No. There -- I
22 mean, Genex is still the fiduciary.

23 TRUSTEE/DIRECTOR GANS: Okay.

24 ATTORNEY KWIATEK: For you.
25 Because they're still giving fiduciary advice

1 and -- and recommendations.

2 They're just not making the
3 ultimate decision on -- on the funds.

4 So, if there is an actual issue
5 there, then you would go after Leaf House.

6 It -- it would depend on who did
7 what.

8 So, if it's on selection of the
9 funds, that is Leaf House and that is -- is who
10 you would look to for responsibility if there
11 are any issues on that side.

12 TRUSTEE/DIRECTOR GANS: And you
13 said we're gonna have a formal relationship with
14 them?

15 ATTORNEY KWIATEK: Yeah.

16 TRUSTEE/DIRECTOR GANS: Okay.

17 ATTORNEY KWIATEK: You're going to
18 have a contractual relationship.

19 TRUSTEE/DIRECTOR GANS: All right.

20 TRUSTEE STACK: Are there
21 additional fees?

22 ATTORNEY KWIATEK: Well, that's the
23 -- remember --

24 MISTER HOGREFE: There is.

25 ATTORNEY KWIATEK: -- when Genex

1 did its presentation and they said there are
2 additional fees to access the three-thirty-
3 eight?

4 TRUSTEE STACK: All right.

5 ATTORNEY KWIATEK: And we talked
6 about that before we approved going to a three-
7 thirty-eight?

8 Those are the additional fees.

9 There aren't additional fees on top
10 of those additional fees.

11 TRUSTEE STACK: Okay.

12 ATTORNEY KWIATEK: Those are their
13 -- the additional fees.

14 TRUSTEE STACK: Okay. All right.
15 Go ahead. Sorry.

16 MISTER HOGREFE: Very good.

17 No, I'm glad we clarified that,
18 because I -- I sense some confusion on that.

19 We work -- for what's it's worth,
20 we work with Leaf House on several plans.
21 They've been great to work with.

22 They kinda sit in the background
23 and -- and really just track the funds and
24 monitor. Make sure everybody's performing the
25 way they should be.

1 So, we -- we've had a good
2 experience with them.

3 With respect to the fund lineup, I
4 -- I know we mentioned there's a couple of
5 changes. Very minor.

6 The first is that in the original
7 fund lineup, I think we shared last time, the
8 last target date fund was 2055.

9 They even added a 2060 target date
10 fund for anyone born in 1993 and after.

11 So, that's -- that's one change.
12 Let that sink in a little bit. It's 2060.

13 So, the only time that fund would
14 get used is if someone elected it, or if a young
15 participant signed up, but forget to pick his
16 investments.

17 That would be the sole options for
18 -- for someone like that.

19 TRUSTEE/DIRECTOR GANS: Okay.

20 MISTER HOGREFE: The second change,
21 then, was MFS. We had chosen a small cap value
22 fund from the fund manager MFS. That's a huge
23 fund manager.

24 They have since decided to close
25 that fund to new investments, effective

1 September 15th.

2 So, we're just going to miss that
3 -- that cut-off.

4 In light of that, we worked with
5 Leaf House. We said, "Hey, who else might fit
6 this small cap value space?"

7 They said, "J.P. Morgan Fund," that
8 they recommended. It's a -- it's got a five
9 star rating on Morningstar.

10 We said, "Hey, that looks great.
11 Let's just use that."

12 So, those two changes are really
13 the only two changes from that initial fund
14 lineup we shared last time.

15 Leaf House has been really good to
16 work with. They basically blessed all of the
17 funds that -- that we had chosen originally.

18 So, the -- the second thing we did,
19 and I think I shared this with you guys. I'd be
20 happy to share it with the rest of the Board,
21 but they put together a fund lineup and
22 comparison.

23 This is a couple of things that
24 shows the old existing funds, how they will map
25 into the new fund and it also shows some fund

1 related data performance, expenses, those sorts
2 of things, for -- for all of the funds.

3 So you kinda get a -- a side-by-
4 side comparison of those funds.

5 Good information here.

6 Nothing real ground breaking.

7 And, again, it reflects the new
8 proposed fund lineup that's with those changes I
9 just mentioned. So.

10 ATTORNEY KWIATEK: I --

11 MISTER HOGREFE: Hm-hm?

12 ATTORNEY KWIATEK: Josie pointed
13 out one change that she noticed and I think I
14 know why.

15 I think she said that the target
16 date funds were taken off the mapping.

17 And is that for the reason that we
18 talked about before, because you're going with
19 the underlying is because we don't have target-
20 date funds right now, so, instead you're going
21 with the underlying pieces of those conglomerate
22 funds and mapping them over --

23 MISTER HOGREFE: Exactly. Right.

24 ATTORNEY KWIATEK: -- to (not
25 clear)

1 MISTER HOGREFE: Yes.

2 ATTORNEY KWIATEK: Right?

3 MISTER HOGREFE: Yeah.

4 ATTORNEY KWIATEK: Okay.

5 MISTER HOGREFE: Yeah. So, -- so
6 what Jamie's speaking to, and I wanted to make
7 sure we were on the same page tonight.

8 I think what we decided at the last
9 Board Meeting was to use a like-to-like mapping
10 strategy.

11 So, if you're in a large cap
12 growth, you'll end up in a large cap growth on
13 the new platform.

14 Is -- is that kinda of what we all
15 agreed on?

16 TRUSTEE STACK: That was my
17 understanding.

18 MISTER HOGREFE: Okay.

19 TRUSTEE STACK: Yeah.

20 MISTER HOGREFE: Yeah. And that's
21 -- that's what the mapping all -- all represents
22 here.

23 So, I think we're all on the same
24 page there.

25 Obviously, once they're on the new

1 platform, participants can -- can mix and match
2 and -- and reallocate as much as they want. So.

3 TRUSTEE/DIRECTOR GANS: So, we're
4 saying unallocated, un -- non requests goes to
5 the target date?

6 MISTER HOGREFE: Yes. If -- if
7 someone had not made an election, then the
8 default would be one of the targeted funds,
9 based on their date of birth. Yeah.

10 TRUSTEE/DIRECTOR GANS: All right.
11 And the default now is what? Cash?

12 TRUSTEE STACK: I don't know.

13 ATTORNEY KWIATEK: The default
14 fund?

15 TRUSTEE/DIRECTOR GANS: No.

16 ATTORNEY KWIATEK: I -- I don't --

17 TRUSTEE/DIRECTOR GANS: Okay.

18 ATTORNEY KWIATEK: -- I don't know
19 what your default fund is, or whether it's one
20 of those mixture funds that's kinda --

21 TRUSTEE/DIRECTOR GANS: Because we
22 have a cash fund. A Money Market --

23 ATTORNEY KWIATEK: Because that's
24 a strange default fund.

25 Usually, it's something that has

1 some sort of investments that's fairly
2 conservative, or fair -- a lot of times it's
3 target date funds, which is what it's gonna be,
4 but you don't have that.

5 TRUSTEE/DIRECTOR GANS: Well, in
6 --

7 ATTORNEY KWIATEK: So I don't know
8 if it's one of those mixture funds.

9 TRUSTEE/DIRECTOR GANS: So, what's
10 that gonna map to? I mean, because that's
11 really why I asked the question.

12 ATTORNEY KWIATEK: Well, they're
13 not.

14 They're gonna look -- those mixture
15 funds -- oh, you mean, your -- the cash funds,
16 or the mixture funds?

17 TRUSTEE/DIRECTOR GANS: Well, when
18 they -- when they map. When -- when -- when we
19 transition --

20 ATTORNEY KWIATEK: Yeah.

21 TRUSTEE/DIRECTOR GANS: -- and
22 the -- the people would have money in the
23 default fund, where is that going to go?

24 ATTORNEY KWIATEK: Well, they're
25 gonna look at whatever that fund is and move it

1 where everybody else in that fund would go.

2 Because the default fund is not
3 only used by people who don't make a selection,
4 it's used by whomever elects it, as well.

5 So, anybody that's in that fund,
6 whatever fund it might be, it's gonna go
7 wherever they determined it's appropriate, based
8 on the fund lineup within that fund.

9 So, if it's one of those mixture
10 funds, they're gonna look at how it's made up
11 and they're gonna move people accordingly into
12 like funds.

13 TRUSTEE/DIRECTOR GANS: Okay.

14 ATTORNEY KWIATEK: Does that make
15 sense?

16 TRUSTEE/DIRECTOR GANS: It -- it
17 does. We're talking about something that we're
18 not exactly sure what it is, so, --

19 ATTORNEY KWIATEK: Yeah, I mean,
20 it's got those funds that are made up of other
21 funds. Right?

22 So, -- and you may have -- they're
23 -- they're like groups of -- there's -- one
24 investment is made up of a group of the funds
25 that are offered.

1 And -- and what they're doing is
2 de-constructing that and moving the money, based
3 on the underlying funds that are included in
4 that (one word not understood.)

5 Okay?

6 So, they're breaking it down and
7 moving like-to-like, so you won't see it as a --
8 as a group together mix anymore, but you'll
9 still have it in the same amounts and the same
10 percentages that you had it before.

11 TRUSTEE/DIRECTOR GANS: Okay. I
12 got it.

13 ATTORNEY KWIATEK: It's just going
14 to be shown as individual investments, now,
15 instead of a lumped investment.

16 TRUSTEE/DIRECTOR GANS: Okay.

17 ATTORNEY KWIATEK: Is that right?

18 MISTER HOGREFE: Yes.

19 ATTORNEY KWIATEK: Okay.

20 TRUSTEE STACK: So we finalized
21 those funds?

22 MISTER HOGREFE: (no oral
23 response.)

24 TRUSTEE STACK: Okay. And then
25 we're still looking at, like, 30-something --

1 MISTER HOGREFE: Yep. Yep.

2 TRUSTEE STACK: Sorry.

3 ATTORNEY KWIATEK: Did they add a
4 couple?

5 MISTER HOGREFE: They did.

6 ATTORNEY KWIATEK: Is that what
7 Carol said?

8 MISTER HOGREFE: They added a --
9 yeah, a couple of fixed income funds.

10 I'm not officially sure why, but I
11 think they felt they weren't represented in that
12 first fund lineup.

13 TRUSTEE STACK: So, that packet
14 that you were just kinda flashing, that kinda
15 gives a breakdown of what the mapping is in that
16 transition and why?

17 MISTER HOGREFE: Yes.

18 TRUSTEE STACK: So, there's been a
19 few requests from members, prior to the
20 September 17th and 18th meeting, that they would
21 like to see that, so they've been kind of
22 outlying -- okay, if you're going to map me to
23 this, do I really want to be in there?

24 So, when they come and have their
25 sit-down with you post-September 17th and 18th, --

1 MISTER HOGREFE: Okay.

2 TRUSTEE STACK: -- they can have
3 an idea of what they want.

4 MISTER HOGREFE: I wish --

5 TRUSTEE STACK: So, is that a link,
6 or a PDF, --

7 MISTER HOGREFE: It's a PDF.

8 TRUSTEE STACK: -- that you can
9 email to the Board --

10 MISTER HOGREFE: Yes.

11 TRUSTEE STACK: -- and then I can
12 distribute it to --

13 MISTER HOGREFE: You bet.

14 TRUSTEE STACK: Okay. Perfect.

15 MISTER HOGREFE: With respect to
16 the -- the kick-off meetings here in September,
17 we're -- we're looking forward to those, as
18 well.

19 Obviously, we won't -- we won't be
20 giving specific investment advice to a -- in a
21 group setting, but our plan is to, obviously,
22 introduce ourselves, explain all of the various
23 roles between ourselves, Empower.

24 I'm not sure if "Kaytron" will have
25 -- or, Ktrade, not (not clear) not "Kaytron" --

1 (General chuckles.)
2 MISTER HOGREFE: -- Ekon will have
3 a representative there.
4 I don't see a need for it.
5 ATTORNEY KWIATEK: They don't need
6 to. They're just a record keeper.
7 MISTER HOGREFE: Yeah.
8 ATTORNEY KWIATEK: They don't --
9 they're just back in --
10 MISTER HOGREFE: Yeah.
11 MS. DEPEW: Actually, they are
12 coming.
13 MISTER HOGREFE: Oh, they are?
14 ATTORNEY KWIATEK: They're coming?
15 MS. DEPEW: "Nodie" is coming and
16 mainly because of the retirees --
17 ATTORNEY KWIATEK: Oh.
18 MS. DEPEW: -- who (not clear) the
19 VEBA.
20 ATTORNEY KWIATEK: Okay.
21 MS. DEPEW: And with the VEBA going
22 to be shown as a link, they are coming to find
23 out that that information is going to be
24 available.
25 MISTER HOGREFE: Very good.

1 MS. DEPEW: Yeah. There's not
2 going to be much to say. The participants want
3 to know about the timing (not clear) for us to
4 really say sort of a (not clear) version for
5 them.

6 Ekon will be there.

7 Their role will be small, but there
8 will be some interest in -- in how this may move
9 forward.

10 TRUSTEE STACK: And they'll have
11 some sort of -- I don't know if they'll have a
12 specific, not necessarily a page, but they'll
13 have a link of some sort on Empower's --

14 ATTORNEY KWIATEK: Hm-hm.

15 TRUSTEE STACK: -- website?

16 MS. DEPEW: That's correct.

17 TRUSTEE STACK: Okay.

18 ATTORNEY KWIATEK: And that link
19 will take them over to the Ekon site, --

20 TRUSTEE STACK: Okay.

21 ATTORNEY KWIATEK: -- so that
22 Empower doesn't have to have all of back-end and
23 the HIPPA waivers and -- and all of that in
24 place.

25 TRUSTEE STACK: Yeah.

1 ATTORNEY KWIATEK: And the HIPPA
2 security.

3 Ekon will have all of that and all
4 you'll be doing when you go to that, Empower is
5 being sent over to Ekon.

6 TRUSTEE STACK: Perfect.

7 MS. DEPEW: And they'll be speaking
8 to that and that way that is a very clear --

9 ATTORNEY KWIATEK: Yeah.

10 MS. DEPEW: (not understood) and
11 then they can --

12 ATTORNEY KWIATEK: Yeah.

13 MS. DEPEW: -- they can have that.

14 So, Ekon will be there --

15 TRUSTEE STACK: Perfect.

16 And the last time we were here, we
17 -- we were discussing this meeting and then at
18 one point, when I left, I didn't -- it was
19 unclear if we were going to have another meeting
20 after the September 17th and 18th?

21 My understanding --

22 TRUSTEE/DIRECTOR GANS: You're --
23 you're right. It was unclear.

24 TRUSTEE STACK: Okay.

25 (General chuckles with everyone)

1 speaking over each other.)

2 TRUSTEE STACK: And I --

3 ATTORNEY KWIATEK: -- another
4 employee, or another Board?

5 TRUSTEE STACK: Another employee.
6 And I kind of left and it was like, well, why
7 would we do that, --

8 TRUSTEE/DIRECTOR GANS: I agree.

9 TRUSTEE STACK: -- because --

10 TRUSTEE/DIRECTOR GANS: I think we
11 decided not to do that.

12 TRUSTEE STACK: Okay. Okay.

13 MISTER HOGREFE: And -- and with
14 respect to that, I think our plan, and I know
15 our plan is to set up individual one-on-one
16 meetings, --

17 TRUSTEE STACK: Yes.

18 MISTER HOGREFE: -- as a -- as a
19 follow-up to the September meetings.

20 TRUSTEE STACK: Perfect.

21 MISTER HOGREFE: So, --

22 MS. DEPEW: I think that's what
23 we're hoping we will discuss there.

24 MISTER HOGREFE: Yeah.

25 MS. DEPEW: Like, here's the next

1 step in this --

2 MISTER HOGREFE: Yeah.

3 MS. DEPEW: -- and here's how we
4 can (not clear).

5 TRUSTEE STACK: Perfect.

6 MS. DEPEW: (not clear)

7 MISTER HOGREFE: Yes. That's the
8 idea.

9 So, good or bad, there's -- there's
10 not a whole lot we can do until that Ten-One
11 transfer date.

12 TRUSTEE STACK: Right.

13 MISTER HOGREFE: The website should
14 be up and running, I would think, very close to
15 the September meetings. If not already up and
16 running.

17 So folks could actually log on.
18 They won't see any balance, or anything like
19 that, but they could at least snoop around and -
20 - and see all of the resources available on the
21 Empower website.

22 TRUSTEE STACK: And based on the --
23 the email that Josie had sent, it looks like
24 there was max-two weeks for a blackout.

25 Is that -- am I remembering that

1 correct?

2 ATTORNEY KWIATEK: I don't know.

3 TRUSTEE STACK: Okay. I think --

4 ATTORNEY KWIATEK: Because I'm not
5 sure that I saw that email.

6 MISTER HOGREFE: Legally, I think
7 they allow for 30 days. Is that --

8 ATTORNEY KWIATEK: Yeah.

9 MISTER HOGREFE: -- correct?

10 ATTORNEY KWIATEK: I think --

11 MISTER HOGREFE: Okay.

12 ATTORNEY KWIATEK: -- (one word not
13 clear) but I mean, often times, -- you only have
14 a couple of days --

15 MISTER HOGREFE: Okay.

16 ATTORNEY KWIATEK: -- for a
17 blackout.

18 MS. DEPEW: I thought it was four.

19 TRUSTEE STACK: Four days?

20 MS. DEPEW: But, I think -- I think
21 -- I think two weeks is maximum in case they
22 have some --

23 TRUSTEE STACK: I thought it was --

24 MS. DEPEW: -- some issues and
25 they --

1 TRUSTEE STACK: Okay.

2 MS. DEPEW: -- and they need some
3 sort of transition period because something that
4 might've --

5 TRUSTEE STACK: There's a 49 page
6 document, so it's hard to remember all of it.

7 ATTORNEY KWIATEK: Well, and, you
8 know, the problem is that KTrade -- you weren't
9 here for that, but, they're -- Empower is having
10 a little bit of difficulty getting clarity on
11 exactly what they're going to be providing.

12 KTrade and latitudes.

13 And so if there are issues in that
14 regard where they have to hand-key in
15 information, it's gonna be longer.

16 TRUSTEE STACK: Yeah.

17 ATTORNEY KWIATEK: All right?

18 TRUSTEE STACK: Okay.

19 ATTORNEY KWIATEK: It just is.

20 MS. DEPEW: And, hopefully, as we
21 have more of these conference calls, we'll have
22 a better handle on what that may or may not look
23 like and we'll communicate that.

24 TRUSTEE STACK: Okay.

25 ATTORNEY KWIATEK: One thing,

1 Quint, that I want you to address, in the
2 employee meetings, so, I know that on -- with
3 our firms Empower's site, we have self-directed
4 brokerage accounts, as well.

5 And when our employer contribution
6 goes in, it goes into a stable value fund.

7 And to transfer from that over to
8 Schwab, we actually have to call.

9 We can't do that on-line.

10 So, if you could find out if that's
11 gonna be the same -- and I know that for a fact,
12 because I tried it today and it didn't work.

13 So, if you could find out, for
14 sure, if it's the same, just so that the people
15 who have these self-directed accounts know what
16 the process is.

17 MISTER HOGREFE: I will follow-up.
18 Yes.

19 ATTORNEY KWIATEK: Okay.

20 MISTER HOGREFE: So, I guess the
21 last thing I really just -- just wanted to maybe
22 give you guys a heads up on.

23 Michelle, sorry, this might fall
24 into your lap.

25 But, in the -- in the past, where

1 we've transitioned from a more traditional
2 commission type of compensation, what the plan
3 is currently under, to more of a fee-based
4 compensation that -- that we're going to use,
5 that all gets disclosed and it's -- it's line-
6 itemed out on each participants statement.

7 So, inevitably, that triggers a
8 bunch of questions, because participants haven't
9 seen fees before.

10 I guess I would ask you to maybe
11 start planting that seed.

12 This is gonna be fully disclosed,
13 fully transparent. They will see not only our
14 management fee, but, also, the Empower fee.

15 And, sometimes, that raises, you
16 know, raises eyebrows.

17 "What the heck is this?"

18 And, "We've never been paid, or
19 charged for this before."

20 So, --

21 TRUSTEE/DIRECTOR GANS: They --
22 they've been charged, but --

23 MISTER HOGREFE: They've been --

24 TRUSTEE/DIRECTOR GANS: -- dif-
25 ferently.

1 MISTER HOGREFE: -- charged. They
2 just didn't see it. Yeah. Exactly right.

3 So, we fully plan to talk about
4 that at -- at this kick-off meeting.

5 But, just to give everybody a
6 heads-up, that inevitably, it triggers phone
7 calls and emails and -- and questions about it.

8 MS. DEPEW: And I believe this is
9 also sort of addressed in the participant
10 letters that are going out to them, there's a --
11 there's a -- in the very last paragraph they
12 talk about Empower in the message of things to
13 be addressed.

14 TRUSTEE STACK: Now, I think it may
15 be advantageous, or at least good to know, when
16 you're speaking on that, if you can say, "Well,
17 this is what you were being charged before and
18 this is what you're being charged after --

19 ATTORNEY KWIATEK: I'm not sure
20 anybody really -- I mean, you can -- you can do
21 the best you can.

22 I'm not sure anybody knows exactly
23 how much they've been charged --

24 TRUSTEE STACK: Yeah.

25 ATTORNEY KWIATEK: -- in the past.

1 Because a lot of 'em are hidden
2 fees.

3 TRUSTEE STACK: Right.

4 MISTER HOGREFE: Correct. And it
5 --

6 MS. DEPEW: Some of your -- your
7 industries (not clear) or something.

8 MISTER HOGREFE: It -- it depends,
9 I guess.

10 MS. DEPEW: Yeah.

11 MISTER HOGREFE: Annuities, --

12 MS. DEPEW: Yeah.

13 MISTER HOGREFE: -- obviously,
14 there's a -- there's a front commission a lot of
15 times on those.

16 TRUSTEE STACK: Yeah.

17 MISTER HOGREFE: So, --

18 TRUSTEE STACK: Or, just -- yeah,
19 just say, "Industry standards --

20 MISTER HOGREFE: Yeah.

21 TRUSTEE STACK: -- is X --

22 MISTER HOGREFE: That's --

23 TRUSTEE STACK: -- and we are
24 this, --

25 MISTER HOGREFE: That's a good

1 point.

2 TRUSTEE STACK: -- which is less
3 than industry standards."

4 I think that would ease a lot of
5 minds.

6 MISTER HOGREFE: So, that's about
7 all I had for tonight.

8 Things are on track.

9 I think there's a lot of moving
10 parts, as you mentioned, but I think we're
11 getting there and -- and kinda plodding through
12 them.

13 We've been named agent of record on
14 most of the annuities. There's still a couple
15 being processed.

16 I actually jumped on the Allianz
17 website today and I could see most of the
18 annuities on my log-in.

19 So, we're getting there.

20 It's just -- there's just a lot of
21 paperwork involved to get that stuff moved over.
22 So.

23 But, we're gettin' there.

24 TRUSTEE/DIRECTOR GANS: Do you
25 think we'll need to meet -- the Board will need

1 to meet between now and September 17th?

2 ATTORNEY KWIATEK: You might. I
3 think we should schedule a meeting.

4 TRUSTEE/DIRECTOR GANS: Okay.

5 ATTORNEY KWIATEK: And then if we
6 don't need to meet, we can cancel it.

7 Only because we've got other things
8 going on, as well.

9 TRUSTEE/DIRECTOR GANS: Okay.

10 ATTORNEY KWIATEK: But, --

11 TRUSTEE/DIRECTOR GANS: All right.

12 ATTORNEY KWIATEK: And we will just
13 continue to circulate the agreements, like we
14 did this last time, for comments and approval
15 and -- and all that.

16 TRUSTEE/DIRECTOR GANS: They made
17 for really fun reading.

18 ATTORNEY KWIATEK: I'm sure they
19 did.

20 (General chuckles.)

21 TRUSTEE STACK: Exactly.

22 ATTORNEY KWIATEK: Thank you.

23 For those who read them --

24 MISTER HOGREFE: Captivating.

25 ATTORNEY KWIATEK: -- in detail,

1 we appreciate it. We could tell that you all
2 had taken the time to really go through them and
3 think about it and provide input. So.

4 TRUSTEE STACK: Quint, how long do
5 you foresee your part of that meeting happening?

6 I know Michelle and I were in --
7 there was email's going, kind of how are we
8 going to separate the frame?

9 MISTER HOGREFE: Hm-hm. Candidly,
10 I -- I don't see the Genex portion going much
11 more than 30 to 45 minutes.

12 TRUSTEE STACK: Okay.

13 MISTER HOGREFE: I think there's
14 an hour allotted to us.

15 TRUSTEE STACK: Perfect.

16 MISTER HOGREFE: I can show
17 vacation slides, or something, but, I don't --
18 (General chuckles.)

19 TRUSTEE STACK: And, I'm, --

20 MISTER HOGREFE: -- I don't see --

21 TRUSTEE STACK: -- obviously, a
22 lot of it will depend on how many questions, --

23 MISTER HOGREFE: Exactly.

24 TRUSTEE STACK: -- are being
25 asked, --

1 MISTER HOGREFE: Right.
2 TRUSTEE STACK: -- as well.
3 MISTER HOGREFE: Yeah.
4 TRUSTEE STACK: So, --
5 MISTER HOGREFE: Exactly right.
6 ATTORNEY KWIATEK: The
7 presentations probably will be about half an
8 hour.
9 TRUSTEE STACK: Okay.
10 ATTORNEY KWIATEK: Before they ask
11 any questions.
12 MISTER HOGREFE: Yes.
13 TRUSTEE STACK: Okay.
14 MISTER HOGREFE: Yes. I -- I will
15 say, Empower -- I -- I did speak to Connie over
16 there. She said she would definitely want her
17 full hour.
18 I've -- I've been through their
19 presentations several times. They have a really
20 nice website demo, where they will actually pull
21 up kind of a --
22 TRUSTEE STACK: Okay.
23 MISTER HOGREFE: -- a majority
24 website and show guys how, "Here's how you --
25 you get logged-on and --

1 TRUSTEE STACK: That's perfect.
2 ATTORNEY KWIATEK: Because there's
3 a --
4 MISTER HOGREFE: -- you know --
5 ATTORNEY KWIATEK: -- lot in their
6 website.
7 MISTER HOGREFE: Hm-hm.
8 ATTORNEY KWIATEK: There's a lot --
9 MISTER HOGREFE: Hm-hm.
10 ATTORNEY KWIATEK: -- to go over.
11 And people are just gonna need to get in there
12 and play with it.
13 It can be a little overwhelming, at
14 first.
15 MISTER HOGREFE: Yeah.
16 ATTORNEY KWIATEK: A lot of
17 information and a lot of things that you can do,
18 and --
19 MISTER HOGREFE: It's all good
20 stuff.
21 ATTORNEY KWIATEK: It is.
22 MISTER HOGREFE: It's just --
23 ATTORNEY KWIATEK: It is.
24 MISTER HOGREFE: It's gonna be --
25 ATTORNEY KWIATEK: It's great.

1 MISTER HOGREFE: -- it's gonna be
2 a lot.

3 ATTORNEY KWIATEK: It's gonna be --

4 MISTER HOGREFE: Yeah.

5 ATTORNEY KWIATEK: -- a whole new
6 world for the employees.

7 TRUSTEE STACK: Yeah.

8 MS. DEPEW: And I think that's part
9 of it, so that when we welcome them and they are
10 part of the (not clear) process, that they just
11 (not clear).

12 TRUSTEE/DIRECTOR GANS: All right.

13 MISTER HOGREFE: Very good.

14 TRUSTEE/DIRECTOR GANS: Thank you.

15 MISTER HOGREFE: Thanks.

16 ATTORNEY KWIATEK: Thanks, Quint.

17 TRUSTEE STACK: Thanks, much.

18 MISTER HOGREFE: You bet.

19 ATTORNEY KWIATEK: So, now, let's
20 talk about, since we have Adam here, let's talk
21 about the self-directed brokerage account
22 agreement.

23 I mentioned, before you got here,
24 we need to get this to them, like, right away,
25 so that they can move forward with opening those

1 self-directed brokerage -- setting them up.

2 Setting up this --

3 TRUSTEE/DIRECTOR GANS: And we'll
4 put Robin in charge of that.

5 ATTORNEY KWIATEK: Pardon me?

6 TRUSTEE/DIRECTOR GANS: We'll put
7 Robin in charge of that.

8 (General chuckles.)

9 ATTORNEY KWIATEK: So, I wanna go
10 through it, because we don't know what you have
11 right now.

12 Because, no one could unearth that,
13 that document.

14 So, references to that document and
15 other documents that nobody seems to have the
16 ones, so we'll just -- we're -- we're making
17 choices here.

18 Some of this, we already talked
19 about in -- in prior -- in a prior meeting long
20 ago. Several months ago.

21 So we're going to go through now
22 and -- and show and discuss the options and see
23 if any of these you wanna change.

24 So, in the investment vehicles
25 available, they -- under mutual funds, and we

1 (not clear) the last meeting that you wanted to
2 make that as broad as possible, allow those
3 funds, transaction fees funds, tax exempt funds,
4 no load funds and no transactions, --

5 TRUSTEE/DIRECTOR HARRIS: Well, let
6 me --

7 ATTORNEY KWIATEK: -- in those
8 funds.

9 TRUSTEE/DIRECTOR HARRIS: --
10 interject something that is totally unrelated.

11 The reason I left the room, there
12 was an issue outside, not related to us, but
13 after the meeting where we were sitting here
14 during an actual armed bank robbery right next
15 door, were not with appropriate personnel just
16 to check and make sure there is a -- not --
17 there's a -- the issue is not related to us and
18 has now moved on.

19 TRUSTEE/DIRECTOR GANS: There's --

20 ATTORNEY KWIATEK: Another bank
21 robbery?

22 TRUSTEE/DIRECTOR HARRIS: No. No.
23 This was --

24 TRUSTEE/DIRECTOR GANS: There's
25 not --

1 ATTORNEY KWIATEK: Huh.

2 TRUSTEE/DIRECTOR GANS: So, I got

3 the cameras on. Everything is -- I saw

4 something and a police car on the lot, so that's

5 why they went out.

6 ATTORNEY KWIATEK: Okay.

7 TRUSTEE/DIRECTOR GANS:

8 Everything's fine.

9 ATTORNEY KWIATEK: Okay, good.

10 MS. DEPEW: Second time, though.

11 Correct?

12 ATTORNEY KWIATEK: Hm?

13 TRUSTEE/DIRECTOR GANS: There's

14 not a bank robbery.

15 ATTORNEY KWIATEK: Okay.

16 TRUSTEE/DIRECTOR GANS: No, no.

17 MS. DEPEW: Not this time.

18 TRUSTEE/DIRECTOR HARRIS: This was

19 -- I think it was just a simple stop of some

20 sort, and it happened to be our parking lot.

21 ATTORNEY KWIATEK: Oh, okay.

22 TRUSTEE/DIRECTOR GANS: So, that's

23 why I'm watching t.v., because I'm watching

24 outside.

25 TRUSTEE/DIRECTOR HARRIS: After

1 having to literally, pending the bank robbery,
2 (not clear) the meeting.

3 TRUSTEE/DIRECTOR MILLNER: Hm-hm.

4 ATTORNEY KWIATEK: Yeah, it was
5 when I was on --

6 TRUSTEE/DIRECTOR MILLNER: Yeah.

7

8 ATTORNEY KWIATEK: One of your
9 regular Board Meetings.

10 TRUSTEE/DIRECTOR MILLNER: Hm-hm.

11 ATTORNEY KWIATEK: Yeah. I heard
12 about that.

13 TRUSTEE/DIRECTOR GANS: So, sorry.
14 Go ahead.

15 ATTORNEY KWIATEK: Okay.

16 TRUSTEE/DIRECTOR GANS: (not
17 clear) the record.

18 ATTORNEY KWIATEK: Yes. All right.

19 So, fixed income changing, open
20 that up as (one word not clear) as possible to
21 include agency bonds, C.D.'s, corporate bonds,
22 U.S. Treasury.

23 Equities, the same thing, as well
24 as possible.

25 Closed in funds, National Security

1 Exchange funds, exchange traded funds, exchange
2 treasury notes, leveraged or inverse ETF's,
3 preferred stock on a national exchange and over
4 the counter securities, including certain
5 foreign securities denominated in U.S. dollars
6 trading over the counter.

7 So, any -- any objections to any of
8 that?

9 (No oral response.)

10 ATTORNEY KWIATEK: Anyone?

11 (No oral response.)

12 ATTORNEY KWIATEK: Okay.

13 Next, we decided not -- in a prior
14 -- in a prior meeting, but I just want to bring
15 it up again, not to allow investments in
16 options.

17 That's kind of a risky investment,
18 so I think that's a wise decision.

19 Let's see. Another investment is
20 -- we decided to allow any third party or
21 registered investment advisor to have trading
22 authority for the individual.

23 That is something I would highly
24 recommend.

25 And we had previously talked about

1 that.

2 We had -- so those people are gonna
3 charge a fee. And I just wanted to verify that
4 we should go ahead and allow the advisor fees to
5 be paid from the participants self-directed
6 brokerage account.

7 I would think so, because the
8 participant may not have other funds to pay
9 those fees and they're directly related to that
10 account.

11 But, I wanted to make sure that
12 that was okay with everybody.

13 TRUSTEE/DIRECTOR GANS: Okay.

14 TRUSTEE/DIRECTOR HARRIS: Is -- it
15 in compliance?

16 ATTORNEY KWIATEK: Yep.

17 TRUSTEE/DIRECTOR HARRIS: And I
18 assumed it would be or you would not have
19 broached the topic.

20 MS. DEPEW: When you said we may
21 not have other funds, didn't you (not
22 understandable) brokers at 50 percent.

23 ATTORNEY KWIATEK: Yeah.

24 MS. DEPEW: Okay.

25 ATTORNEY KWIATEK: Well, yes, but

1 we wouldn't take it out of those --

2 MS. DEPEW: Okay.

3 ATTORNEY KWIATEK: -- the other
4 part of the plan.

5 MS. DEPEW: Okay.

6 ATTORNEY KWIATEK: I meant outside
7 of that.

8 MS. DEPEW: Understood.

9 ATTORNEY KWIATEK: Sorry. Yeah.

10 So, yeah, that's -- I mean, that's
11 typically how it is, if you allow those fees --

12 MS. DEPEW: Hm-hm.

13 ATTORNEY KWIATEK: -- to be drawn
14 out. That's how our firm's plan is.

15 Let's see if there are other -- and
16 that was really it.

17 So, -- everything sound good on
18 that one?

19 TRUSTEE STACK: It does.

20 ATTORNEY KWIATEK: Then we will --

21 TRUSTEE STACK: And just a quick
22 question to Quint.

23 You guys will not give any advice
24 on the self-directed. Correct?

25 (No oral response.)

1 TRUSTEE STACK: Okay.

2 ATTORNEY KWIATEK: So we will send
3 that off to Empower. Someone will have to sign
4 that agreement for the District.

5 So, okay. That's that. I can
6 check that one off the list.

7 Retirement. I know we talked about
8 this, but we were kinda rushed the last time and
9 we really didn't come to a conclusion.

10 So, as a reminder, under the
11 retirement plan, the only thing an early
12 retirement age does is fully vest someone.

13 Right now, the early retirement age
14 is actually 55 -- 50 -- (not clear) and ten
15 years of service, which does nothing, because
16 you vested six years of service.

17 So, we could change this --

18 TRUSTEE/DIRECTOR GANS: Say that
19 again. Does nothing because what?

20 ATTORNEY KWIATEK: You're vested
21 with six years of service.

22 TRUSTEE/DIRECTOR GANS: Okay.

23 ATTORNEY KWIATEK: So, you're
24 already vested by the time you hit the early
25 retirement age requirement.

1 So, it's -- it's -- it doesn't have
2 any effect.

3 And even if we moved it to 50 and
4 six years of service, it doesn't do anything
5 because you're already vested at six years of
6 service.

7 And from the last meeting I got the
8 impression that there was no desire to let
9 people vest earlier than the six years, other
10 than age 58.

11 You wanted everybody to vest at 58
12 for a retirement age.

13 Because that's how that -- so you
14 have early retirement, right now. It's 50 and
15 ten years of service.

16 Normal retirement is 55 and ten
17 years of service, or age 58. That's how it's
18 currently set up.

19 TRUSTEE/DIRECTOR GANS: Okay.

20 ATTORNEY KWIATEK: Okay?

21 So, -- so that would be if you
22 hired somebody at 55, they would become fully
23 vested at 58. Okay?

24 Regardless of how many years of
25 service. Most likely thinking that people who

1 come in that -- I don't know why.

2 But, probably, because people who
3 come in that late -- at that rate in their
4 career in your profession have been some place
5 else and let them go ahead and -- and -- and
6 people tend to retire earlier when they're the -
7 - the -- the union employees, but not the staff.

8 But, you've --

9 TRUSTEE/DIRECTOR HARRIS: And --
10 and --

11 ATTORNEY KWIATEK: -- got to have
12 the same rule for everybody.

13 TRUSTEE/DIRECTOR HARRIS: And
14 that's why I was going to say that would be
15 potentially a staff officer coming in.

16 We've hired uniformed personnel.
17 Uniformed staff has almost exclusively been some
18 within the Monarch rank, but we've have one
19 chief that was not originally Monarch and
20 several other related staff positions.

21 So, I -- I could see you need to
22 keep that age 58, the -- the penance -- well,
23 whether we change the 60 to 55, but you probably
24 -- you -- you do it, but we do need to account
25 for people who come here later in their careers.

1 And I don't know anyone's age,
2 except mine. And I don't fall under the plan,
3 so it doesn't matter there.

4 But, I think that's why you have
5 that age 58.

6 ATTORNEY KWIATEK: So, --

7 TRUSTEE STACK: I thought the bid
8 deal with the retirement age was more directed
9 towards the VEBA.

10 ATTORNEY KWIATEK: Okay. So. For
11 the VEBA, it does have meaning.

12 TRUSTEE STACK: Yeah.

13 ATTORNEY KWIATEK: It absolutely
14 has meaning and it's when people can start to
15 get whatever is left in their account. It's a
16 medical benefit versus severance.

17 TRUSTEE STACK: Right.

18 ATTORNEY KWIATEK: And, as we have
19 talked, that has huge implications.

20 The medical benefits are not
21 taxable to them.

22 The severance is.

23 The severance is going to be paid
24 out in a lump sum.

25 The medical benefits are paid out

1 to reimburse for medical expenses.

2 So, it absolutely has meaning for
3 the VEBA.

4 However, there is no reason that we
5 -- we have to tie the two.

6 We could eliminate early retirement
7 age from your 401A plan.

8 We could change normal retirement
9 age, just age 58, because, again, the normal
10 thing it does there is vest people. Right?

11 And we could put into the VEBA the
12 55 and six years of service, or 50 and six years
13 of service as your early retirement age, so that
14 you're matching the six years of service
15 requirement and the age.

16 MS. DEPEW: There is no vesting
17 requirements in the VEBA.

18 You are vested fully --

19 ATTORNEY KWIATEK: No, no, no, no,
20 no, no, no.

21 MS. DEPEW: Okay.

22 ATTORNEY KWIATEK: I understand
23 when the VEBA -- it effects your right to
24 medical benefits only.

25 MS. DEPEW: Right. Correct.

1 ATTORNEY KWIATEK: In the VEBA, we
2 can have an early retirement age of 55 and six
3 years -- 50 and six years of service that allows
4 you to get medical benefits instead of
5 severance.

6 MS. DEPEW: I guess I -- I'm not
7 clear why we need to (not clear) if you're
8 vested automatically and you reach the
9 retirement age, then that's --

10 ATTORNEY KWIATEK: Because you may
11 not want people to -- to be able to get the
12 medical until they have a certain amount of
13 service --

14 (Speaking over each other.)

15 MS. DEPEW: We've never (not clear)
16 for the VEBA.

17 ATTORNEY KWIATEK: Oh, yeah, you
18 have, because it's always been the same as the
19 retirement plan.

20 So it's always been ten years of
21 service.

22 It has matched your retirement
23 plan.

24 TRUSTEE STACK: Hmm.

25 ATTORNEY KWIATEK: It has just

1 mirrored your retirement plan.

2 (Speaking over each other.)

3 MS. DEPEW: So that's where the
4 language matched. The manner in which it was
5 distributed did not match. They -- it --

6 ATTORNEY KWIATEK: (not clear)
7 problem.

8 (General laughter.)

9 ATTORNEY KWIATEK: What your
10 problem has said is it matched your early
11 retirement and your normal retirement matched.

12 If you want to make a change and
13 you want it just to be that you can -- you will
14 be deemed to be retired at age 50, under the
15 VEBA, we can do that.

16 But, we don't (not clear) an early
17 retirement and a normal retirement concept in
18 the VEBA.

19 We would just need early with no
20 years of service requirement.

21 So, we can do --

22 MS. DEPEW: Okay.

23 ATTORNEY KWIATEK: -- whatever we
24 want in the VEBA.

25 MS. DEPEW: Okay.

1 ATTORNEY KWIATEK: It doesn't have
2 to match your retirement plan.

3 TRUSTEE STACK: Okay.

4 MS. DEPEW: It should not match the
5 retirement plan.

6 TRUSTEE/DIRECTOR GANS: So, if
7 this discussion now is about the 401, then I'm
8 convinced that we don't need an early -- all we
9 need is 58.

10 The six year vesting takes care of
11 the vesting --

12 MS. DEPEW: Correct.

13 TRUSTEE/DIRECTOR GANS: -- and
14 all we need is 58 for regular retirement.

15 For retirement. Right?

16 MS. DEPEW: Yes. Do we have a
17 motion on that?

18 TRUSTEE STACK: I --

19 MS. DEPEW: I believe (not clear)

20 TRUSTEE STACK: I just want to make
21 sure, because the six year vesting, that -- that
22 exists.

23 (Everyone speaking over each
24 other.)

25 ATTORNEY KWIATEK: (not clear)

1 TRUSTEE STACK: It exists, but
2 that -- isn't that more of a labor management
3 kind of thing, or that a pension kind of thing?

4 MS. DEPEW: Pension.

5 TRUSTEE STACK: Okay.

6 MS. DEPEW: It's in the plan. It's
7 in the plan summary.

8 TRUSTEE STACK: Okay.

9 MS. DEPEW: Yes.

10 ATTORNEY KWIATEK: Yeah.

11 TRUSTEE STACK: Okay.

12 ATTORNEY KWIATEK: And you should
13 have a vesting schedule associated with that.

14 TRUSTEE STACK: Okay.

15 ATTORNEY KWIATEK: With the
16 accounts in your retirement plan.

17 But you don't need to have it
18 related to your retirement age, because, again,
19 all it does is accelerate vesting and I have not
20 gotten the feeling that anybody is interested in
21 accelerating vesting other than when somebody
22 hits 58.

23 TRUSTEE STACK: That's fair.

24 ATTORNEY KWIATEK: So --

25 MS. DEPEW: Okay.

1 TRUSTEE STACK: Okay.

2 ATTORNEY KWIATEK: -- do we have
3 a motion to eliminate the early retirement age
4 under the retirement plan and to change the
5 normal retirement age to age 58, eliminating the
6 age and years of service.

7 TRUSTEE/DIRECTOR GANS: So moved.

8 TRUSTEE/DIRECTOR HARRIS: Second.

9 TRUSTEE/DIRECTOR GANS: Discus-
10 sion?

11 MS. DEPEW: Yes. So, let's say --
12 just what -- (not clear) purposes here, because
13 we have several in the last (not clear) five to
14 seven years -- (not clear) is going to change.

15 The potential of having new senior
16 staff is coming. We have somebody from the
17 outside to come in and they're 59, they're
18 automatically 100 percent vested and have
19 reached retirement age?

20 Let's say they work here for three
21 years. They start at 59. The vesting stuff is
22 gone and they're automatically 100 percent
23 vested and whatever salaries we give to the
24 401A.

25 That's how I'm understanding this.

1 TRUSTEE/DIRECTOR GANS: They'll
2 have the dollars -- it's not a lot of dollars,
3 but it's more than nothing. It's --

4 MS. DEPEW: No, I agree, but,
5 currently, (not clear) with the (not clear)
6 schedule, there's 20 percent vested per year.

7 We are saying, if we bring you in,
8 in any of the positions, over 58, you're
9 automatically vested in the 401A.

10 If so, it's -- because I'm going to
11 have administer it, I want to make sure I
12 understand --

13 TRUSTEE/DIRECTOR GANS: Well,
14 that's --

15 MS. DEPEW: -- the intent --

16 TRUSTEE/DIRECTOR GANS: -- a good
17 --

18 MS. DEPEW: -- and that --

19 TRUSTEE/DIRECTOR GANS: -- point.

20 MS. DEPEW: -- it's clear.

21 ATTORNEY KWIATEK: That's correct.
22 If you hire someone who is 59, they would be 100
23 percent vested from the day they walk in,
24 because they will have hit the -- well, they'll
25 be 100 percent vested as of the time that they

1 leave.

2 MS. DEPEW: Correct.

3 ATTORNEY KWIATEK: Right?

4 MS. DEPEW: Correct.

5 ATTORNEY KWIATEK: Because they
6 will have --

7 MS. DEPEW: Correct.

8 ATTORNEY KWIATEK: -- hit --

9 MS. DEPEW: Correct.

10 ATTORNEY KWIATEK: -- their normal
11 retirement age.

12 TRUSTEE STACK: Regardless if it's
13 six years, or one year.

14 ATTORNEY KWIATEK: Yes. Or, six
15 months. Right.

16 TRUSTEE/DIRECTOR GANS: Have you
17 heard of that before?

18 ATTORNEY KWIATEK: Me?

19 TRUSTEE/DIRECTOR GANS: Yeah.

20 ATTORNEY KWIATEK: Sure.

21 TRUSTEE/DIRECTOR GANS: Okay. If
22 --

23 ATTORNEY KWIATEK: I mean, all
24 retirements -- all retirement plans have a
25 retirement age.

1 Most of them have 65, but not ones
2 where it is police or firefighters. They all --
3 and sometimes lawyers.

4 But, police and firefighters always
5 have an earlier, because they're -- (one word
6 not clear) police and firefighters actually work
7 to age 65.

8 It's a hard profession.

9 It's physically demanding and the
10 reality is that, I think, most times, you try --
11 you retire prior --

12 MS. DEPEW: Yes.

13 ATTORNEY KWIATEK: -- to that age.

14 So it is very common to have an age
15 55 -- somewhere between 55 and 60 as your normal
16 retirement age --

17 MS. DEPEW: Correct.

18 ATTORNEY KWIATEK: -- in a
19 retirement plan for service officers, --

20 MS. DEPEW: Hm-hm.

21 ATTORNEY KWIATEK: -- for public
22 service --

23 TRUSTEE/DIRECTOR GANS: Well, I --

24 ATTORNEY KWIATEK: -- officers.

25 TRUSTEE/DIRECTOR GANS: All right.

1 So, I would submit that if we -- if we do hire
2 somebody who comes in and look for requirement
3 on day one, which means they meet it when they
4 leave, that it's a -- it's an attractive benefit
5 to come in here.

6 TRUSTEE STACK: Right.

7 TRUSTEE/DIRECTOR GANS: Because
8 they're probably coming here for their last job
9 and, you know, they're not going to walk away
10 with a whole lot of money. It's a few years
11 worth.

12 MS. DEPEW: Right.

13 TRUSTEE/DIRECTOR GANS: It's not
14 a whole career's worth here. But, I think it's
15 reasonable to vest them.

16 MS. DEPEW: I'm just making sure
17 I'm clear on the intent and how I would explain
18 it to HR and to anybody as -- as positions
19 continue to change. Okay.

20 ATTORNEY KWIATEK: And that -- that
21 is exactly the point I was gonna make, is that
22 it can be a good recruiting tool, if you have
23 somebody who is older that you are trying to
24 attract and that you want for a few years, to
25 tell them that they -- because they'll probably

1 come in, not thinking they're gonna stay for six
2 years. Right?

3 TRUSTEE STACK: Right.

4 ATTORNEY KWIATEK: That they're
5 gonna retire --

6 MS. DEPEW: Hm-hm.

7 ATTORNEY KWIATEK: -- earlier.
8 So. And you don't have to try to do a work
9 around that you can't do.

10 So one (one word not clear) versus
11 the other.

12 MS. DEPEW: Are current individuals
13 (not clear) into that?

14 They would be. Right?

15 ATTORNEY KWIATEK: Yeah.

16 MS. DEPEW: If we change this, then
17 --

18 ATTORNEY KWIATEK: Yep.

19 MS. DEPEW: Okay.

20 TRUSTEE/DIRECTOR GANS: All right.
21 I'm gonna call --

22 ATTORNEY KWIATEK: Do we have very
23 many people?

24 MS. DEPEW: One.

25 ATTORNEY KWIATEK: Okay.

1 MS. DEPEW: For sure.
2 ATTORNEY KWIATEK: That has --
3 doesn't have six years of service.
4 MS. DEPEW: Correct.
5 ATTORNEY KWIATEK: Okay. So
6 they're 58.
7 MS. DEPEW: (not clear)
8 ATTORNEY KWIATEK: Yes.
9 TRUSTEE/DIRECTOR GANS: All right.
10 Call for the question. All in favor?
11 TRUSTEE STACK: Aye.
12 TRUSTEE/DIRECTOR MILLNER: Aye.
13 TRUSTEE/DIRECTOR HARRIS: Aye.
14 TRUSTEE/DIRECTOR GANS: Aye.
15 Motion passes four to nothing.
16 MS. DEPEW: So that's the person
17 for the 401A.
18 ATTORNEY KWIATEK: Yes.
19 MS. DEPEW: And then the language
20 for the VEBA --
21 ATTORNEY KWIATEK: Okay.
22 MS. DEPEW: -- I'm going to --
23 ATTORNEY KWIATEK: Yeah.
24 MS. DEPEW: -- get to --
25 ATTORNEY KWIATEK: Let's talk --

1 MS. DEPEW: -- these --
2 ATTORNEY KWIATEK: -- about --
3 MS. DEPEW: -- two --
4 ATTORNEY KWIATEK: -- the --
5 MS. DEPEW: -- separate.
6 ATTORNEY KWIATEK: -- VEBA.
7 What retirement age do you want for
8 the VEBA?
9 To be reminded in the VEBA vest --
10 they're already vested. It's just a question of
11 when they're entitled to use their -- well,
12 actually, when they're required to use the money
13 for medical benefits versus getting it paid out
14 as severance.
15 Do you want it to be the same, 58?
16 Do you want it to be 55?
17 Which I believe is what we have,
18 right now.
19 Although, now, it's tied to your
20 retirement plan, so what -- we'll have to revise
21 the re-statement slightly, to reflect whatever
22 is decided tonight.
23 TRUSTEE/DIRECTOR GANS: And we're
24 talking --
25 ATTORNEY KWIATEK: Do you want a

1 years of service element tied to it?

2 TRUSTEE/DIRECTOR GANS: You're
3 talking early retirement.

4 ATTORNEY KWIATEK: No, --

5 MS. DEPEW: No.

6 ATTORNEY KWIATEK: -- any, --

7 MS. DEPEW: Any.

8 ATTORNEY KWIATEK: -- because
9 there's no reason, since all it does, in the
10 VEBA, is say when somebody has the right to get
11 medical benefits versus severance.

12 Or, actually, it's required to take
13 it out in medical benefits versus severance.

14 We don't need early retirement age,
15 to either.

16 And we may have taken a -- I know
17 Josie and I have that comment when we were
18 viewing it.

19 And we may have taken the early
20 retirement age concept out. I just don't
21 remember.

22 How do I pull up your VEBA?

23 Um, hold on.

24 (Pause.)

25 ATTORNEY KWIATEK: Thoughts about

1 having a service requirement on there, who --
2 for when people are required to switch from
3 severance to --

4 TRUSTEE STACK: Medical?

5 ATTORNEY KWIATEK: -- to medical.

6 MS. DEPEW: Doesn't the age dictate
7 that?

8 ATTORNEY KWIATEK: It depends on
9 how you structure it.

10 TRUSTEE/DIRECTOR GANS: There's no
11 statute, --

12 ATTORNEY KWIATEK: We --

13 TRUSTEE/DIRECTOR GANS: -- as the
14 age.

15 ATTORNEY KWIATEK: We can have --
16 we can have -- this is VEBA. There's no
17 requirement under the VEBA for the age
18 requirement for the retirement age -- age
19 requirement, other than you have to have one if
20 you want it to be the non-taxable medical
21 benefits.

22 TRUSTEE STACK: So, if -- I guess,
23 if we said, hypothetically, 58, if I worked her
24 for 30 years and I left at 57, I would get a
25 severance and not my medical benefits?

1 That seems, --

2 MS. DEPEW: Yes.

3 TRUSTEE STACK: -- not --

4 MS. DEPEW: That's not --

5 TRUSTEE STACK: -- very fair. Or,

6 --

7 ATTORNEY KWIATEK: So, when do you
8 want it to be triggered?

9 TRUSTEE/DIRECTOR GANS: Okay. The
10 medical benefits reduce the -- your severance.
11 Right?

12 There's only a -- there's a pot of
13 money. Am I wrong?

14 MS. DEPEW: There's an indemnity
15 account. Correct.

16 ATTORNEY KWIATEK: So, say that
17 again.

18 No. The medical benefits don't --
19 well, the medical benefits, while you're still
20 an employee, yes.

21 But, the question is, once you
22 terminate employment, are you going to get a
23 lump sum severance, or are you going to be
24 required to use the amount that's left for
25 medical benefits?

1 TRUSTEE/DIRECTOR GANS: And --
2 and, so, what I'm asking is, the medical
3 benefits you receive reduce your pot of money, -
4 -

5 MS. DEPEW: Your indemnity account.
6 Yes.

7 TRUSTEE/DIRECTOR GANS: -- your
8 in -- your indemnity account. The difference is
9 the taxability.

10 MS. DEPEW: Correct.

11 TRUSTEE STACK: Yes.

12 TRUSTEE/DIRECTOR GANS: It's not
13 the amount.

14 MS. DEPEW: But, you would --

15 TRUSTEE/DIRECTOR GANS: So, your
16 -- your -- your example is you leave at 57 and
17 you give up the ability to use medical -- you
18 don't give up any money, --

19 TRUSTEE STACK: And I --

20 TRUSTEE/DIRECTOR GANS: -- you --

21 TRUSTEE STACK: -- have to pay
22 taxes on that severance.

23 TRUSTEE/DIRECTOR GANS: -- have
24 to pay tax on the severance and then you use the
25 net money to pay your medical, --

1 TRUSTEE STACK: Right.

2 TRUSTEE/DIRECTOR GANS: -- versus
3 using before-tax dollars for the medical, --

4 TRUSTEE STACK: On the attractive
5 --

6 TRUSTEE/DIRECTOR GANS: -- that's
7 the benefit --

8 TRUSTEE STACK: -- to me.

9 TRUSTEE/DIRECTOR GANS: -- to it.
10 So, that's why thinking hard and long about
11 this is important.

12 TRUSTEE STACK: I think 55 would be
13 a reasonable number.

14 MS. DEPEW: I think that's the
15 standard.

16 TRUSTEE STACK: Yeah.

17 MS. DEPEW: That's the industry
18 standard for early retirement for police and
19 fire.

20 TRUSTEE/DIRECTOR GANS: Okay.

21 TRUSTEE/DIRECTOR HARRIS: Well, --

22 ATTORNEY KWIATEK: Okay. So, --

23 TRUSTEE/DIRECTOR HARRIS: -- can
24 -- can we put in either/or, if you attained x-
25 number of years, or reached this age, --

1 TRUSTEE/DIRECTOR GANS: Well,
2 they're gonna have a -- have the years.

3 Md: This just makes it difficult
4 either as a plan administrator or an HR
5 director. Especially now if we're having
6 different versions for different plans.

7 So, I -- as somebody who
8 administers it now, I would prefer it to be --
9 to be an age.

10 TRUSTEE/DIRECTOR GANS: There's no
11 reason to complicate it with both.

12 Md: Right. Especially if you're
13 immediately vested the moment --

14 TRUSTEE STACK: Right.

15 Md: -- you're employed.

16 TRUSTEE STACK: Right.

17 TRUSTEE/DIRECTOR GANS: Right.

18 TRUSTEE STACK: From day-one.

19 Md: From day-one.

20 ATTORNEY KWIATEK: Okay. Let me
21 tell you what you have right now.

22 Okay. I did have the right one.

23 We still have the early retirement
24 age concept in here, even though I don't think
25 it does anything.

1 TRUSTEE STACK: Which was 50 and
2 ten years.

3 ATTORNEY KWIATEK: Hold on.

4 TRUSTEE STACK: Okay.

5 ATTORNEY KWIATEK: Early retirement
6 date, 50 and ten years. Hm-hm.

7 And, then, -- and just the
8 retirement date was -- the normal retirement
9 date -- the normal retirement day is as
10 specified in the retirement plan, provided that
11 -- as the effective date, it was 58, or 55 and
12 ten. Okay?

13 TRUSTEE/DIRECTOR GANS: That was
14 regular in the 401.

15 ATTORNEY KWIATEK: It -- it just
16 mirrored your 401. Right.

17 So, let -- again, we probably don't
18 need the early retirement date.

19 Let me make sure it didn't affect
20 anything else.

21 TRUSTEE/DIRECTOR HARRIS: While
22 she's doing that, does anyone know if you were
23 here 25 years, what your principle VEBA account
24 balance would be?

25 Md: Probably close to eighty,

1 80,000.

2 TRUSTEE/DIRECTOR HARRIS: So, in
3 reality, if you went at 50, it would be a -- a
4 supplement, but could not push you 15 years to
5 get you to Medicare.

6 And even ten years might be tough.

7 TRUSTEE STACK: And that's where I
8 was thinking. I mean, because that's the whole
9 idea that it's a -- it's a bridge until you get
10 to Medicare.

11 Md: Correct.

12 TRUSTEE/DIRECTOR HARRIS: Right.

13 Md: Correct.

14 TRUSTEE STACK: So.

15 Md: Does this hinder anybody if
16 they end up disabling out?

17 Yes.

18 MISTER HOGREFE: (inaudible)

19 Md: Yeah, because they're not --

20 MISTER HOGREFE: (inaudible)

21 Md: Right. Right.

22 MISTER HOGREFE: (inaudible)

23 Md: Because then I --

24 MISTER HOGREFE: (inaudible)

25 Md: Right. Right.

1 MISTER HOGREFE: (inaudible)
2 Md: Yeah, because I've -- I've had
3 gentlemen disable out at an earlier age than
4 potentially 55.
5 TRUSTEE STACK: Right. I had the
6 same idea. If --
7 ATTORNEY KWIATEK: Well, if he --
8 TRUSTEE STACK: -- if someone --
9 ATTORNEY KWIATEK: -- if he's --
10 TRUSTEE STACK: -- younger --
11 ATTORNEY KWIATEK: -- if you --
12 TRUSTEE STACK: -- became --
13 ATTORNEY KWIATEK: If you leave --
14 TRUSTEE STACK: -- disabled.
15 ATTORNEY KWIATEK: -- before then,
16 because of disability, first of all, you have
17 the disability insurance now. Right?
18 TRUSTEE STACK: Yeah.
19 ATTORNEY KWIATEK: So they're gonna
20 get benefits under that.
21 And, second, you would still get
22 the indemnity. You can -- you just get it as a
23 lump sum and if they're disabled they're
24 probably in a lower tax bracket, because they're
25 not working-working and the short-term -- or the

1 long-term disability benefits are not usually a
2 hundred percent of your salary.

3 Md: I'm just thinking of situations
4 that I've --

5 ATTORNEY KWIATEK: And --

6 Md: -- been --

7 ATTORNEY KWIATEK: And if they're
8 fully disabled they can apply for --

9 Md: Right.

10 ATTORNEY KWIATEK: -- and
11 hopefully get their Social Security Disability.

12 (Speaking over each other.)

13 TRUSTEE STACK: (not clear)

14 ATTORNEY KWIATEK: Right. So, I --
15 and -- and we can't -- so, under the VEBA, we
16 can't tie the retirement to disability.

17 Md: Understood.

18 ATTORNEY KWIATEK: So, --

19 Md: I would --

20 ATTORNEY KWIATEK: Yeah.

21 Md: -- to be --

22 (Speaking over each other.)

23 ATTORNEY KWIATEK: (Not clear)

24 Md: -- age 47 and the age is 50
25 and I feel like I wanted to use those dollars to

1 help close that gap and I -- I feel most people
2 who come here and once they've worked their 20,
3 30 years and --

4 ATTORNEY KWIATEK: So, --

5 Md: -- that is part of the plan of
6 how they feel they're getting from A to B.

7 ATTORNEY KWIATEK: But, part of the
8 problem is you never know when you're going to
9 be disabled --

10 Md: I agree.

11 ATTORNEY KWIATEK: -- and where --

12 Md: I agree.

13 ATTORNEY KWIATEK: -- do you draw
14 the line?

15 You could have somebody get
16 disabled at 30 --

17 Md: I agree.

18 ATTORNEY KWIATEK: -- 35, --

19 Md: I agree.

20 TRUSTEE STACK: Hm-hm.

21 ATTORNEY KWIATEK: -- and you can't
22 -- and we can't drop our retirement age that
23 low. That's doesn't work -- reasonable to the
24 IRS.

25 I don't have a problem if you want

1 to put it at 50.

2 Md: (not audible)

3 ATTORNEY KWIATEK: You know. But,
4 here's the flip side of that.

5 If somebody has a working spouse
6 and they have medical coverage, those people
7 would probably rather get the severance than
8 have it be medical benefits.

9 TRUSTEE/DIRECTOR GANS: Does it --
10 does it require they do medical instead of
11 severance?

12 ATTORNEY KWIATEK: Yes. You have
13 to.

14 TRUSTEE STACK: Yeah.

15 TRUSTEE/DIRECTOR GANS: Okay.

16 ATTORNEY KWIATEK: We --

17 Md: The age --

18 ATTORNEY KWIATEK: -- we --

19 Md: -- they --

20 ATTORNEY KWIATEK: -- we have to.

21 Md: Yes.

22 TRUSTEE/DIRECTOR GANS: What if --
23 so, medical -- what if -- is -- is based on
24 premium?

25 ATTORNEY KWIATEK: Medical can be

1 any of your medical expenses. It can be your
2 pre -- you submit your expenses. It can be
3 deductible. It can be premium. It can be co-
4 pay.

5 Md: And medication is --

6 (Speaking over each other.)

7 TRUSTEE/DIRECTOR GANS: And so if
8 you're covered under a spouse's plan, or another
9 person's plan, then it's gonna be less,
10 probably, than if you were paying premiums.

11 Md: Yes.

12 ATTORNEY KWIATEK: Yeah.

13 Md: I have individuals who bring in
14 live insurance premiums. They're just different
15 premiums, other than --

16 ATTORNEY KWIATEK: Life insurance
17 should not be a medical benefit.

18 Md: Okay. Right.

19 ATTORNEY KWIATEK: That's -- that's
20 -- I mean, it has to -- it has -- well, I mean,
21 maybe we can specify that. It's -- I'd have to
22 look at that, if you want it to cover life
23 insurance premiums, --

24 Md: I'm just --

25 ATTORNEY KWIATEK: -- as well.

1 Md: -- thinking --
2 ATTORNEY KWIATEK: But, --
3 Md: -- they --
4 ATTORNEY KWIATEK: -- that's --
5 Md: It's under --
6 ATTORNEY KWIATEK: -- not a
7 medical benefit.
8 TRUSTEE/DIRECTOR HARRIS: I don't
9 think we need to expand it to life insurance.
10 It would muddy the water, I think, too much.
11 And, maybe, create issues that --
12 (Speaking over each other.)
13 Md: I haven't had --
14 TRUSTEE/DIRECTOR HARRIS: (not
15 clear)
16 Md: (not clear) two spouses
17 currently work. They just don't use any (not
18 clear) benefits on a normal regular on-going
19 bases.
20 ATTORNEY KWIATEK: For?
21 Md: Prescriptions.
22 ATTORNEY KWIATEK: Okay.
23 Ms: For a (not clear) care, or, --
24 let's see. (Inaudible)
25 TRUSTEE/DIRECTOR HARRIS: Or if I

1 can get my doctor to write a prescription for
2 Hawaii, --

3 (General chuckles.)

4 TRUSTEE/DIRECTOR HARRIS: -- then
5 --

6 ATTORNEY KWIATEK: I like that.

7 TRUSTEE/DIRECTOR HARRIS: Well, not
8 mine, but, that might be pushing the envelope.

9 (Pause.)

10 TRUSTEE/DIRECTOR HARRIS: I only
11 had to say that once and everybody's getting on-
12 board with me.

13 (General chuckles.)

14 TRUSTEE/DIRECTOR GANS: I'm good
15 with 50.

16 TRUSTEE/DIRECTOR MILLNER: It works
17 for me.

18 ATTORNEY KWIATEK: And no service
19 requirement. Correct?

20 TRUSTEE/DIRECTOR GANS: Right.

21 ATTORNEY KWIATEK: Okay. So, can
22 we have a motion to revise the VEBA so that to
23 eliminate early retirement age and to set the
24 retirement date at termination of employment on
25 or after age 50?

1 TRUSTEE/DIRECTOR GANS: So moved.
2 TRUSTEE STACK: I second.
3 TRUSTEE/DIRECTOR GANS:
4 Discussion?
5 (No response.)
6 TRUSTEE/DIRECTOR GANS: All in
7 favor?
8 TRUSTEE STACK: Aye.
9 TRUSTEE/DIRECTOR MILLNER: Aye.
10 TRUSTEE/DIRECTOR HARRIS: Aye.
11 TRUSTEE/DIRECTOR GANS: Aye.
12 Motion passes.
13 MS. LONG: Who seconded that?
14 TRUSTEE/DIRECTOR GANS: Adam.
15 MS. LONG: Oh, thank you.
16 TRUSTEE/DIRECTOR HARRIS: Speaking
17 of Adam, do we know where Joe is?
18 TRUSTEE STACK: He is not coming.
19 TRUSTEE/DIRECTOR HARRIS: Okay.
20 Thanks.
21 TRUSTEE/DIRECTOR GANS: He forgot
22 where the building is.
23 A VOICE: He got pulled over and --
24 (Loud laughter.)
25 TRUSTEE/DIRECTOR GANS: (not

1 audible due to laughter)

2 Md: (not clear)

3 TRUSTEE STACK: He responded on
4 email and said he couldn't be here until eight
5 and then -- then he sent me a text and said he,
6 for whatever reason, he couldn't come.

7 TRUSTEE/DIRECTOR GANS: Okay.
8 Tell him we talked about him.

9 TRUSTEE STACK: But, he did say
10 whatever I voted on, if there was any votes,
11 he's with -- with me.

12 TRUSTEE/DIRECTOR GANS: And you
13 can tell him we talked about him.

14 TRUSTEE STACK: Yeah.

15 TRUSTEE/DIRECTOR MILLNER: Hm-hm.
16 And that we missed him.

17 TRUSTEE STACK: And I apologize for
18 being a little late. I didn't expect that
19 Closed to only last 30 minutes.

20 TRUSTEE/DIRECTOR MILLNER: Oh, we
21 discussed --

22 TRUSTEE STACK: Yeah. I know you
23 do.

24 ATTORNEY KWIATEK: Okay. The rest
25 of what I have, I believe it's for a Closed

1 session.

2 TRUSTEE/DIRECTOR GANS: All right.
3 Does anyone else have anything for Open?

4 TRUSTEE/DIRECTOR HARRIS: I do not.

5 TRUSTEE/DIRECTOR GANS: All right.

6 At this time, I make a motion to go
7 into Closed session pursuant to Missouri Revised
8 Statute 610.021, One, Legal Actions and Advice.

9 TRUSTEE STACK: I second.

10 TRUSTEE/DIRECTOR GANS: That's it.
11 Any discussion?

12 (No response.)

13 TRUSTEE/DIRECTOR GANS: All in
14 favor?

15 TRUSTEE STACK: Aye.

16 TRUSTEE/DIRECTOR MILLNER: Aye.

17 TRUSTEE/DIRECTOR HARRIS: Aye.

18 TRUSTEE/DIRECTOR GANS: Aye.

19 Motion passes.

20 We are off the record, going into
21 Closed session.

22 (Whereupon, the meeting was
23 recessed to go into a Closed Meeting at 8:44
24 P.M. The time of returning to the Open Meeting
25 and adjournment is not known.

1 Further note that this meeting was
2 recorded by the Monarch Fire Protection District
3 and transcribed by Virginia L. Long.)

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