

Board of Fire Commissioners

Greenfield Fire District
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Annual LOSAP Review Meeting – June 28, 2023

Meeting began at 6:02 PM.

Present were: Commissioners Ellsworth, Hays, Russo, and later Commissioner Chandler, D/A-Treasurer Petkus; Nikki Haskins from RBC Wealth Management, and Paul Cognetta from Penflex, Inc. Absent: Commissioner Ramsey. There were no others present.

Handouts from both Penflex and RBC distributed.

Paul reviewed the following:

- Annual Report Commentary; more detailed annual report previously emailed as well.
- Anticipated 2024 contribution decrease.
- Overfunding of annual contribution, which is helping grow the plan and thereby softening any losses and protecting funding ratio, currently at 85%.
- Fact sheet.
- Current assets and projections.
- Actuarial smoothing – spreading gains and/or losses over a 3-year period, protecting the district from extreme highs and lows.
- There is a 10-year guarantee amount, which affects any payment that may be due to the beneficiary, but the *members themselves* continue to collect as long as they are alive, even past the 10-year guarantee period.
- Payments are made to the those entitled to receive the benefit out of RBC investments.
- Funding calculations are made based on pre-entitlement participants.
- Funds are rolled back into the investments for those that leave active service prior to entitlement or pass away.
- Actual market value assets at 12/31/2022 was \$1.9M.
- Brief review of current program provisions; cost assessment would need to be done if the Board was considering lowering the entitlement age, increasing the service credit maximum, and/or increasing the monthly accrual rate.
- Penflex was acquired by McNeil, which is owned by Arch Insurance. There are no operational changes, but information is even more secure as it is constantly monitored by Arch Insurance IT 24/7.
- Has new client portal: Joyce has already signed up.
- New e-learning courses offered free of charge through Penflex/McNeil.

Nikki then reviewed the following:

- Current authorized signers are Michael Chandler and Joseph Russo. Brief discussion, Joyce to be approved to be added at tonight's board meeting, new form will need to be completed and sent back to RBC.
- 2022 was a terrible market; in late 2021 RBC saw something coming and decided to start making changes, which helped a lot to offset losses in 2022.
- Current agreement is to stay close to 40% in the market and 60% in fixed income.

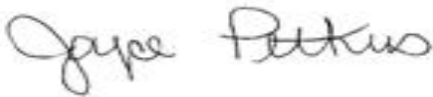
- Changing exposures to the different pieces of asset allocations, including higher rate CDs. Review of fixed income inventory on page 7 of portfolio review report.
- Investing with taxpayer money, and so RBC philosophy regarding LOSAP is to never encourage overly aggressive investments.
- Use a lot of ETFs – exchange traded fund; some are specialized.
- RBC communicates with Penflex on a regular basis regarding cash needs, paying attention and avoiding any surprises by making sure there is enough money to pay out each month and lining up investments to make sense as distributions need to be made.
- Try to keep only about 3% in cash, as it is currently about \$10,000 a month payout.
- Market is too active and a lot more volatile, so RBC pays more attention to it and the best strategies to invest taxpayer money.
- Periodically sends out information; if anyone wants more information or another meeting, just let them know.

Commissioner Ellsworth noted that he learned a lot and thanked them for the review.

The Board thanked everyone for attending.

Meeting adjourned at 6:53 PM.

Respectfully submitted,

A handwritten signature in cursive script that reads "Joyce Petkus".

Joyce Petkus
District Administrator/Treasurer