

**SARASOTA FIREFIGHTERS' INSURANCE TRUST FUND**  
**BOARD OF TRUSTEES MEETING AGENDA**  
**740 Commerce Dr., Venice, FL**  
**January 27, 2016**

A quarterly meeting of the Board of Trustees was called to order by Chairman Kennell at the Union Hall - 740 Commerce Drive, Venice, Florida.

**Trustees Present:**

Chairman Mervin Kennell, Dale Everhart, Matt Scarborough Johnny Rigney, Matt Seiler

**Absent and Excused:**

Marty Ferris, Advisor

**Also Present:**

Pedro Herrera, Esquire; Walt Menzel CPA, Scott Baur and Thel Whitley, Administrators.

**1. Call to Order**

The meeting was called to order at 10:55 AM

Chairman Kennell stated he wanted to deviate from the Agenda to allow Scott Baur to go through the Plan's website presenting the operation and functions. The Plan's website was displayed for the Board.

Mr. Baur presented the setup and functionality of the Plan's website. Mr. Baur explained how to access the website, the individual sections of website, functionality and viewing of the public information then how to access the individual (private) reimbursement accounts. Mr. Baur reported that there have been a few individuals that their balance was incorrect, in those cases the corrections were made. Mr. Baur explained that employee is eligible for the benefit as of the first of the month that they retired. There was discussion of how one of the individual retiree's balance was incorrect and how this occurred and then subsequently corrected. Mr. Baur explained the "self-certifying" of claims. Mr. Everhart inquired regarding the risk to the Participant if they don't stop a claim. Mr. Baur and Mr. Menzel reported that the Auditor will be only reviewing random receipts.

The meeting was paused at 11:40 AM

**MOTION** Trustee Scarborough made the motion to pause the meeting and Trustee Rigney seconded the motion and the motion passed as amended.

The meeting reconvened at 12:05 PM

**3. Public Comment**

There was no public comment.

#### **4. Approval of the Minutes: December 3, 2015**

The Board was presented with the draft minutes of the December 3, 2015 meeting.

**MOTION** Trustee Everhart made the motion to approve the minutes and Trustee Seiler seconded the motion and the motion passed as amended.

#### **5. c. Administrator Report – Scott Baur**

Mr. Baur reported that the transition is largely complete and website is up and running as reported earlier. Mr. Baur presented a Summary of the Plan which will be utilized as an internal document; this document is not meant to replace the Summary Plan Document, but is used as an internal quick reference sheet. Mr. Baur reported that there is one person self paying the contributions and that we have spoke to him and it is his desire to make sure there is a seamless transition. There was Board discussion regarding the increase in pay of the top step of a firefighter that will affect this self-paying individual; Mr. Seiler will get that information to Mr. Baur. Mr. Baur spoke about the use of the death search database subscription vs. the annual mailing of a “I’m Alive Letter”. Mr. Baur explained that the use of this data base is much more efficient and is done continually vs. once per year. There was a consensus of the use of the subscription data base. Mr. Baur reported that he will send an electronic (spreadsheet) travel form to each trustee. Mr. Baur reported that the final Actuarial Valuation Report was in your electronic meeting packet; it was not reprinted for the meeting.

#### **5. a. Graystone Consulting/Morgan Stanley – Charlie Mulfinger and Scott Owens**

Mr. Mulfinger indicated the volatility of the market and many consumers are very nervous and are getting mixed messages. Mr. Mulfinger reported that Morgan Stanley does not believe that we are in a global recession. Mr. Mulfinger explained that there are concerns though, for example the first quarter GDP was .6, the second quarter was better, the third quarter was revised to .02 and fourth quarter has not been reported as of yet. Mr. Mulfinger reported positive indicators were: housing still showing strength, consumer spending is still okay and unemployment is down; the trouble areas include manufacturing and the energy sectors and the Chinese market. Mr. Mulfinger reported that Morgan Stanley feels that the Fed rate is a major factor and will only be raised if the market supports it. Mr. Mulfinger indicated that there is low inflation. Trustee Everhart inquired about the Plan’s allocations. Mr. Mulfinger spoke about the importance of a diversified allocation mix. Mr. Mulfinger spoke about the individual market segments. Mr. Mulfinger spoke about the performance of the individual indexes and money managers.

Mr. Mulfinger reported that no rebalancing is needed and the allocations are within the Investment Summary Description.

Mr. Mulfinger reported that as of December 31, 2015 the total fund balance of Trust #1 is \$25,018,767.24 and for Trust #2 is \$3,827,740.99. Mr. Mulfinger reported that the return for the quarter for Trust #1 was 2.45% (net of fees) and for Trust #2 was 2.40% (net of fees). Mr. Mulfinger reported that the fee decrease is reflected in this quarters fees. Trustee Everhart inquired whether Brandywine was on the watch list. Mr. Mulfinger responded by saying the Morgan Stanley looks at the managers or people managing the funds and reviews the manager through a number of cycles.

## **6. Plan Financials**

Mr. Menzel spoke about receiving about the financial reports he was provided. Mr. Baur spoke about needing to send Mr. Menzel bank statements, but did send Mr. Menzel sample reports from First State. Mr. Menzel reported that he liked the First State reports and said that there were many pages but the summaries were very concise and informative. Mr. Baur spoke about the positive aspects of utilizing First State though there would be a fee of 1.25 basis points (about \$3,000). Chairman Kennell directed Mr. Baur to gather additional information regarding First State.

### **5. c. Attorney Report – Mr. Pedro Herrera, Esquire – Sugarman & Susskind P.A.**

Mr. Herrera reported that FRS has sent out a letter stating that is a change in the way that it treats a retiree with a service related disability, this change is that upon reaching age 55 their benefit will be reported as taxable income. Mr. Herrera spoke about this issue could affect a member that has or obtains a disability retirement. There was general Board discussion regarding this issue. Mr. Herrera reported that currently this is for FRS only, not local plans. Mr. Herrera said that their firm, IAFF and the FPF is researching the issue at this time. Mr. Herrera reported that the International Foundation of Benefits will be holding its annual conference in Orlando on November 14<sup>th</sup> to the 16<sup>th</sup>; he and Mr. Baur indicated that this would be a beneficial conference to attend.

### **6. b. Approval of Expenses (Warrant for January 19, 2016)**

The warrant and copies of invoices were presented to the Board for review and ratification.

**MOTION** Trustee Everhart made the motion to approve the Warrant dated January 19, 2016 and Trustee Seiler seconded the motion and the motion passed as amended.

### **7. NEW BUSINESS – None**

### **8. OTHER BUSSINESS**

Trustee Everhart inquired whether the Board wanted to go out for bid for Auditing services now. Chairman Kennell suggested that this topic be considered at the August/September meeting.

Trustee Everhart inquired as to a date which the Board would be doing an indebt asset allocation review, there was prior discussion that this would be done on a annual basis. It was the consensus that this review should be done at the July, 2016 meeting.

### **9. Board Member Concerns**

Chairman Kennell brought up for discussion the topic of whether to have the Actuary perform as study of providing a Joint and Survivor and Ten Year Certain benefit. There was general Board discussion regarding the issue.

**MOTION** - Trustee Scarborough made the motion to have the Actuary perform a study of starting to provide a Joint and Survivor and a Ten Year Certain benefit for those who are

receiving a benefit within 10 year, Trustee Rigney seconded the motion and the motion passed unanimously.

**NEXT MEETING** - April 27, 2016 at 11:00 AM

**ADJOURMENT**

**MOTION** - Trustee Everhart made the motion to adjourn the meeting, Trustee Scarborough seconded the motion and the motion passed unanimously.

The meeting was adjourned.

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Trustee Signature