

**SARASOTA FIREFIGHTERS' INSURANCE TRUST FUND
BOARD OF TRUSTEES MEETING AGENDA
740 Commerce Drive, Venice, FL
April 24, 2019**

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:

Robert Flynn, Johnny Rigney, Matt Seiler, Matt Scarbrough

Trustees Absent:

Chairman Mervin Kennell, Marty Ferris, Consultant

Also Present:

Pedro Herrera, Attorney (By Phone); Walt Menzel, CPA; Amber McNeill, Administrator; Charles Mulfinger, Scott Owens, and Andy McIlvaine, Investment Consultants; Nicholas Stratis and Brian Liffick, Auditors

1. Call to Order

The meeting was called to order at 12:08 PM.

3. Public Comment

None

4. Approval of the Minutes

MOTION – Trustee Seiler made a motion to approve the January 30, 2019 minutes, with amendments. The motion received a second from Trustee Scarbrough and the motion passed unanimously.

5a. Audited Financial Statements – Nicholas Stratis and Brian Liffick, Cherry Bekaert

Mr. Liffick presented the 2018 Audited Financial Statements with a clean, unmodified opinion. They found no material weaknesses or issues. An adjustment needs to be made between the Health Trust and the Disability Plan.

MOTION – Trustee Scarbrough made a motion to authorize Mr. Menzel to transfer the funds from the Disability Plan to the Health Trust. The motion received a second from Trustee Flynn and the motion passed unanimously.

The adjustment is not a material weakness and Mr. Menzel has added an additional control to make sure it does not happen again. During the audit process, Graystone found a billing error that is being corrected.

MOTION – Trustee Seiler made a motion to approve the 2018 Audited Financial Statements. The motion received a second from Trustee Flynn and the motion passed unanimously.

5b. Investment Consultant Report – Charles Mulfinger, Scott Owens, and Andy McIlvaine, Graystone Consulting

Mr. Mulfinger informed the Board that during the audit process, they discovered an error in the billing for Trust #2, where the Plan was being billed for another client as well. Graystone has refunded the Plan the money with interest. The Board discussed passive management at length; reviewing a hypothetical active vs passive management portfolio comparison.

Mr. McIlvaine provided an update on the economy for the quarter ending 03-31-19. The trade ‘war’ with China and Brexit are still uncertain, but have cooled off slightly. Morgan Stanley is not expecting a recession at the moment; but slow growth. As of 03-31-19, the total portfolio for Trust #1 was \$33,020,040.90, with an 8.45% net rate of return. Mr. Mulfinger reviewed the individual managers’ performance. As of 04-18-19, the portfolio was \$33,725,756 with a net rate of return of 4.8%. As of 03-31-19, the total portfolio for Trust #2 was \$5,040,916.13, with a net rate of return of 8.49%.

MOTION – Trustee Seiler made a motion to authorize Mr. Herrera to contact Madison regarding a separate contract for lower fees. The motion received a second from Trustee Scarbrough and the motion passed unanimously.

Mr. Mulfinger, Mr. Owens, and Mr. McIlvaine left the meeting at 2:05 PM.

5c. Attorney Report – Pedro Herrera, Sugarman & Susskind (By Phone)

There is some pending legislation that may impact the Plan; Mr. Herrera will update the Board the next meeting. Ms. McNeill will inform Brad Armstrong of the transfer from the Disability Plan to the Health Trust as well as the funds deposited by Graystone for the billing issue. Mr. Herrera informed the Board that there are now protocols in place to prevent these types of billing errors. The Board discussed a minimum funding for the Disability Plan; Mr. Armstrong will incorporate a minimum funding in his assumptions for the valuation.

5d. Administrator Report – Amber McNeill, The Resource Centers

MOTION – Trustee Flynn made a motion approve the Fiduciary Liability Insurance renewal. The motion received a second from Trustee Scarbrough and the motion passed unanimously.

MJs. McNeill will send the finalized audit to the county. Ms. McNeill informed the Board that Dale Everhart, a former member of the Board, is now working for the Resource Centers, but he will not be working with the Health Trust.

6. Plan Financials

a. Ms. McNeill presented the warrants and invoices to the Board for review.

MOTION- Trustee Scarbrough made the motion to approve the Warrants dated 02-20-19, 03-12-19, and 04-05-19. The motion received a second from Trustee Flynn and the motion passed unanimously.

bi. Ms. McNeill presented the reimbursement reports for the Board's review. The Board accepted the reimbursement reports as presented.

bii. **MOTION** – Trustee Flynn made a motion to approve the new members. The motion received a second from Trustee Scarbrough and the motion passed unanimously.

7. NEW BUSINESS

Mr. Menzel informed the Board that the new auditors did a fine job. The Board discussed index funds and passive management at length. The Board decided to table the discussion.

8. OTHER BUSINESS

The Board discussed whether divorce affects a member's Health Trust benefit. Ms. McNeill informed the Board that it does not.

9. BOARD MEMBER COMMENTS- None

10. NEXT MEETING – Ms. McNeill will contact the service providers and the Trustees to schedule the next meeting.

11. ADJOURNMENT

MOTION- Trustee Flynn made the motion adjourn the meeting. The motion received a second from Trustee Seiler and the motion passed unanimously.


Trustee Signature