

**SARASOTA FIREFIGHTERS' INSURANCE TRUST FUND
BOARD OF TRUSTEES MEETING MINUTES
January 21, 2025**

A meeting of the Board of Trustees was called to order by Chair Vets at 9:12 AM.

Trustees Present:

Phil Vets
Matt Scarbrough
Timm Baker
Johnny Rigney
Robert Flynn

Trustees Absent:

Also Present:

Scott Baur & Stacie Crout, Administrator
TJ Loew, Investment Consultant (Electronically)
Pedro Herrera, Attorney (Electronically)
Walter Menzel, Accountant
Robert Barrett, Plan Member
Steven Jones, Member
Merv Kennel, Consultant (Electronically)

1. Call To Order

Chair Vets called the meeting to order at 9:12 AM.

2. Roll Call

Chair Vets called roll.

3. Public Comment – None

4. Approval of Minutes

MOTION – Trustee Flynn made a motion to approve the December 2, 2024, minutes. The motion received a second from Trustee Scarbrough and the motion passed unanimously (5-0).

Investment Report – TJ Loew, Mariner

Mr. Loew presented the Quarterly Investment Report to the Pension Board. Mr. Loew stated that we had a great last fiscal year and have now started our 2024 and 2025 fiscal year on a positive note. The S&P 500 was up 2.4%, the economy is staying strong, growth was up 6.8%, Russell 3000 value index down 1.9% for the quarter. Mr. Loew reviewed the International Markets and their negative response to the tariff talks post-election and the effect on interest rates. Mr. Loew provided a brief overview of 2020 and how the plan allocated assets as volatility picked up and how the plan can prepare for a similar situation now giving a brief overview of several managers, suggesting that the board wait until the next meeting to see what the markets are going to do and possibly make changes at that time. Trustee Flynn asked about the net of fees versus the index. Mr. Loew pointed to pages 4 and 48. Trustee Flynn requested to see a side by side on the same page for ease of understanding and clarity. Mr. Loew will add a side-by-side view to the report for the next meeting. Mr. Loew ended his presentation by asking if there were any questions. The Board had no additional questions and thanked Mr. Loew for a very good report.

Attorney Report – Pedro Herrera, Sugarman

Attorney Herrera greeted the Board and notified them that other than a discussion pertaining to a pending disability, there are no more additions to his report. Chair Vets took a moment to disclose to the Board that he had a phone conversation with Attorney Herrera regarding an individual who is in attendance of the meeting and will be using the Disability Trust Benefit. The member would like an opportunity to discuss the benefits that he is afforded and ask questions while the Attorney is present. This will be the first member of the Sarasota Firefighters Trust to receive Disability Benefit. Chair Vets gave an overview of the Benefit and stated what a great benefit it is. He shares his appreciation for Merve and Marty as they negotiated this benefit for the members. Attorney Herrera agreed and proceeded to give additional details of the Benefit. The Disability Benefit tried to keep the firefighter, the retired firefighter, and the disabled firefighter in the same position that they would have been had they not become disabled. While the county seeks to find another job accommodation for a disabled member this typically means that they are no longer considered “special risk” members of the Florida Retirement System meaning they are then subject to different benefits and different retirement age. The Disability Plan makes up the difference between the two once a member becomes disabled. The regular class retirement benefit provides a lower multiplier. The Disability plan provides supplemental payment from the Health Trust to the member, to make up the difference. Ultimately, providing the member with the same retirement benefit that they would receive if they had remained as a firefighter. The actuary would be requested to calculate what the benefit would be if the member had remained as a firefighter. Trustee Baker asked about the 5-year difference (25 years for firefighters vs 30 years for general employees) and would the member have to work those 5 years. Attorney Herrera replied yes, they would need to work those years or reach the retirement age eligibility. Trustee Baker asked if the member could still enter DROP. Attorney Herrera replied yes, they can. Mr. Baur asked processing questions: If the member entered DROP would we commence in processing the supplemental benefit to the member at that point? Chair Vets referred to the Health Trust Document stating that the member must separate service and thinks that the supplemental payment would have to wait until the member has separated. Mr. Baur asked, does that mean they are not going to receive the benefit for the period of time they are in the DROP? Attorney Herrera replied, they will be able to receive it afterwards. It would accumulate like efforts. Chair Vets inquired about the supplemental benefit being tax free. With the disclaimer that he is not a tax attorney, Attorney Herrera recommends members to consult with a tax professional for updated IRS requirements. The Board discussed with Attorney Herrera regarding the Lump Sum payment from the disability while someone is in DROP would they still be able to invest? Mr. Kennel stated that the investment plan was implemented after the Disability Trust was established so it did not take into account for that and will need to be determined if the Actuary had subsequently calculated to allow for that or not. The Board had no more questions or discussion points.

Chair Vets introduced member Steven Jones; Mr. Jones will be receiving a Disability Benefit from the Trust. Mr. Jones thanked the Board and Union for their support. He recognized Mr. Kennel as being a big part of bringing the benefit into fruition. Mr. Jones asked in regard to the investment versus defined benefit option, if he were to choose the lump sum option from the State, would it still be possible to receive the monthly payment from the Disability Trust? Attorney Herrera would like to discuss this with the actuary and come back to have a full discussion when he has all the information. Mr. Jones asked if there would be two checks from the Health Trust, one from the Disability Trust and one from the Health Trust? Chair Vets explained, once you retire you will receive a check from the Disability Trust for the Supplemental and the Health Trust for Health coverage. Mr. Jones asked, according to the contract, does the Health Trust have a provision that makes up the differences in contracts and move forward pay increases for his firefighter paramedic position. Attorney Herrera stated that as he would not receive the pay increases in his current paychecks, increases that are negotiated in all future contracts up to his retirement date would be taken into account when the supplemental benefit amount is calculated. Chair Vets recommended that Mr. Jones put all of his questions in writing to be forwarded to Attorney Herrera so that he can review and answer so nothing gets lost in translation. Attorney Herrera has no additional information to report.

Administrator Report – Scott Baur & Stacie Crout, Resource Centers

Mr. Baur opened with responses from 2 auditors and their fees to complete the 2024 Audit, as Richard Cristine retired and will not be available. The 2 Audit firms were Mouldin Jenkins and Salt Marsh. Mr. Baur stated that both firms are well qualified to take on the work. Salt Marsh quoted \$18,500 for the 2024 engagement and \$2,100 for the form 990.

Moulden Jenkins quoted \$22,500 for the 2024 engagement and \$2,750 for the form 990. Both expressed that there would potentially be an increase in the fee should they need to expedite the completion time. Mr. Baur also advised the board that they could potentially see a modest charge for hours as they will have to review Cristini's work papers. Mr. Baur advised the Board that he had an open question that he discussed with Mr. Menzel regarding whether Crisini files the 2024 form 990. Mr. Baur recommended that Mr. Menzel obtain power of attorney so that he can obtain an IRS transcript to find out if the 990 was filed. The form is available for the Board to sign today.

A motion was made by Trustee Scarbrough to contract Jenkins to complete the audit and seconded by Trustee Flynn. The motion passed unanimously. (5-0)

Attorney Herrera asked if Jenkins would file the 990 extension in the event we find that Cristini did not file? Mr. Menzel is not sure if the extension will be granted at this time if not requested, but with the hurricanes (Debbie, Helene, and Milton) that occurred during the year there might be a possibility. Trustee Scarbrough asked who would be responsible for filing the extension? Mr. Menzel advised that the new Auditor should be doing this. Mr. Baur confirmed that the original proposal was for the 990 and the audit. There is no further discussion.

Mr. Baur presented the 2025 Status Sheet, a summary of the asset history of the plan. It is intended to provide on a single page, the status of the plans purpose and growth to provide to members at the upcoming workshop. Showing at a glance how the plan has grown from a little less than 30 million dollars to 59 million dollars in about ten years.

Mr. Baur presented the Allocation Increase Letter that the Resource Centers will be sending to members to notify them of the increase of their benefits amounts. The Board had no questions pertaining to the letter. Chari Vets stated that he sees no issue with the letter being sent out to members.

Mr. Baur notified the Board that he is currently working on updating the "History and Overview" of the Plan as well as a power point presentation to be shared with members at the April workshop.

Chair Vets asked if anyone had additional questions pertaining to the Member workshop. Trustee Baker asked what happens if a new hire does not want to sign the contract for the Trust because he wants to receive the 6% in his paycheck? Board consensus and response from Attorney Herrera is that they do not have a choice. It is part of the job description.

There were no further questions or reporting from the administrator.

PLAN FINANCIALS

The board reviewed the January 21, 2025, warrant.

A motion was made by Trustee Flynn to accept the January 21, 2025, Warrant as presented. The motion was seconded by Trustee Rigney. The motion passes unanimously (5-0)

MOTION – Trustee Flynn made a motion to approve the January 21, 2025, warrant as presented. The motion received a second from Trustee Rigney and the motion passed unanimously (5-0).

Mr. Baur presented the Reimbursement reports for the Board to review. The Board had no questions or comments pertaining to the Reimbursement Reports.

NEW BUSINESS

Chair Vets advised the Board that he did not run for re-election for President of the local and decided to step down to take a lesser role as of January 23, 2025. He shared that it has been a privilege and honor to serve on this board on 2 different occasions and cannot think of a better benefit than that which was negotiated. He thanked everyone individually and shared his gratitude for their service to the Trust.

Trustee Scarbrough asked if he could make a motion to put Phil Vets in as Emeritus Status. He pointed to the years of service to the board and the amount of knowledge and history of the trust and noted that it would be a huge asset to be able to refer to Phil from time to time as a consultant in the same manner as Merve Kennel.

Trustee Scarbrough made a motion to put Phil Vets in Emeritus Status. The motion was seconded by Trustee Rigney. The motion passed unanimously. (5-0)

BOARD UPDATES

Mr. Baur presented the Board with an updated Trustee Roster format which contains ordinances pertaining to trustee terms. He informed the Board that a couple of elections have been missed due to the staggered elections and previous practice of an election being for 2 seats each year. The Board discussed procedures of the Election Process. It was noted that the Union President would normally hold a seat on the Board, but the current President is not a member of the Trust. To remain compliant with the staggered election and have 2 seats open for election, Trustee Rigney volunteered to relinquish his seat. The Board agreed to continue as in past practice and mail out nominations and ballots for the election, and expressed their preference to have Resource Centers complete this task. Resource Centers will also tally the ballots.

Mr. Baur presented the Board with a letter to be included in the mailer for nominations notifying retirees of the allocation increase. The Board reviewed the letter, approved and directed Resource Centers to send the letter to retirees.

ADDITIONAL REPORTS

The Board Reviewed the Contribution Registers and had no questions.

10. NEXT MEETING – April 28, 2025, at 9 AM; Annual Meeting & Member Workshop

ADJOURNMENT

A motion was made by Trustee Rigney made a motion to adjourn the meeting at 11:52 AM. The motion received a second from Trustee Flynn and the motion passed unanimously (5-0).

Trustee Signature

