

February 23, 2015

John Klosowski/Gerry Schramek/Joe Toscano/Ken Clair/Rick Tofte

Kathreen Sibol, VFIS

Keith Metz, VFIS

David Bruen, Bruen/Deldin/Didio

Oscar Urena

Subject: LOSAP Program/Life Insurance Program

The average rate of return is 4.75% to date. With the current plan we are fixed at 3%.

Annuity Rates are high now, per Kathreen Sibol.

Currently we have a "Fixed Group Annuity Contract". On this policy we will never lose money and there are no hidden fees. The administrative fee is included with the actuarial fee.

The "Universal Life Insurance Product" was discussed. This is guaranteed insurance coverage, interest sensitive cash value account. The death benefit is paid individually. Here the premium remains level until age 65. Back in 2008 some people were over age 65 and our plan stated that life insurance would be dropped at age 65. After 2008 we chose to have benefit post entitlement.

The following options were discussed:

- 1- Do not offer Life Insurance for new members.
- 2- Change to a Group Term Life Insurance Policy. This type of plan is Tax Free to beneficiaries and administratively it's easier.

Ms. Sibol's recommendation is to move away from Universal Life and to Term Life Insurance.

Ms. Sibol asked if the Board would be interested in taking any risk and unanimously the Board said no.

LOSAP:

Gerry Schramek asked about changing the entitlement age from 62 to 65 for new members and also in addition to that if we changed the maximum years to 30 from currently 40 years. Also, it was discussed that only active firefighters be part of the LOSAP program, if someone has not made the points for 2 or more years they will be taken off until they become active again.

VFBL spells out what an active member means, a provision can be made in the plan to that effect.

Ms. Sibol is going to run a quote making these changes and get back to us.

John Klosowski made a MOTION to adjourn the meeting at 9:39 p.m., 2nd by Joe Toscano, all were in favor.