



Greg Harrelson <gharrelson@hardee.k12.fl.us>

FW: RFP

4 messages

Ward, Calli <Calli.Ward@mosaicco.com>

Thu, Sep 6, 2018 at 10:23 AM

To: Becky Harrelson <bharrelson@hardee.k12.fl.us>, Greg Harrelson <gharrelson@hardee.k12.fl.us>

FYI.

**Calli Ward | Land Use Specialist**

The Mosaic Company | Wauchula Office | 414 W Main Street | Wauchula, Florida 33873

P: 863.773.0726 | C: 863.781.1085 | F: 863.767.5379 | E: Calli.Ward@mosaicco.com | W: www.mosaicco.com

From: Michael Aloian [mailto:maloian@csbtfll.com]
Sent: Thursday, September 06, 2018 10:21 AM
To: Ward, Calli C - Wauchula <Calli.Ward@mosaicco.com>
Cc: Bill Lambert <bill.lambert@hardeemail.com>
Subject: RFP

CAUTION: External Email.

Dear Ms. Ward,

I was interested to learn of your request for a Proposal on Investment Services and have read the proposal thoroughly. I would like to provide some comments if I can since we see many perpetual Educational Foundations with Investment Objectives that require distributions, but also intend to grow for future generations of students. The Hardee County Educational Foundation proposal indicates that the Investment Management goal is to guarantee the \$8 million principal value balance and receive 5-6% annually for distribution to the participants. There is no intention to make the balances grow for future generations despite the eroding power of inflation. The ONLY investment that can achieve this goal for the Foundation is a fixed rate annuity which will feature a long-term contract with a large –possibly as much as \$300,000–commission to the selling investing broker and back-ended fees to terminate the contract early. This may achieve your goals, but most Chartered Financial Analysts would not want to sell this because they would have the duty to invest in the Foundation's best interests (See Prudent Man rule guidelines which also apply to CFA Charterholders).

Charlotte State Bank & Trust has a Trust organization that is guided by the Prudent Man rule and requires that we act in the best interests of the Investor. We would not invest in anything for our clients that we would

not buy for ourselves personally. A fixed annuity would run counter to the best intentions of the Hardee County Educational Foundation for the long-term health and benefit of those who will receive future distributions from it.

I have attached an example of an Investment Policy Statement that has been adopted by at least 5 Florida Foundations. These new Foundations asked us for some guidelines to start and we designed this with the intention of providing a long-term growth-orientation and annual distributions to benefit the recipients. Please consider adopting it and we would be glad to discuss any revision and act as a consultant-free of charge-to help you customize this policy. We have done this for many organizations in the past.

We would like to submit a proposal but under the current guidelines we cannot.

I would be glad to discuss this with you and the Board at any time.

Michael Aloian
President & CIO
Trust and Investment Management Services

P: 941-624-1973

C: 941-875-3209


Fax: 941-624-1972

E: maloian@csbtfl.com



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 **IPS example.docx**
21K

Greg Harrelson <gharrelson@hardee.k12.fl.us>
To: maloian@csbtfl.com

Thu, Sep 6, 2018 at 2:47 PM

Calli Ward forwarded me your response. I believe the intention was that the Foundation endowment be maintained at \$8 million or more to fund forgivable student loans and to possibly improve vocational education in Hardee schools with any surplus earnings.

I don't know if that changes your bank's ability to offer a proposal; I just wouldn't want a wording issue on my end or a misunderstanding to prevent a proposal from your bank.

Thank you.

[Quoted text hidden]

--
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Hardee School Board
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gharrelson@hardee.k12.fl.us

 **IPS example.docx**
21K

Michael Aloian <maloian@csbtfl.com>
To: Greg Harrelson <gharrelson@hardee.k12.fl.us>

Thu, Sep 6, 2018 at 3:33 PM

Does this mean that the Board could tolerate equity market value volatility that took the principal value below \$8 million?

Michael Aloian

President & CIO

Trust and Investment Management Services

P: 941-624-1973

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From: Greg Harrelson <gharrelson@hardee.k12.fl.us>
Sent: Thursday, September 6, 2018 2:48 PM
To: Michael Aloian <maloian@csbtfl.com>
Subject: Fwd: FW: RFP

[Quoted text hidden]

Greg Harrelson <gharrelson@hardee.k12.fl.us>
To: Michael Aloian <maloian@csbtfl.com>

Thu, Sep 6, 2018 at 3:45 PM

Yes, I believe so since it is a permanent endowment. I have a call into Calli Ward. If I find out different, I will let you know.

[Quoted text hidden]