



**FLORIDA SURPLUS ASSET FUND TRUST**  
10151 University Blvd., #227, Orlando, Florida 32817

**LOCATION:** St. Pete Beach Community Center  
7701 Boca Ciega Drive  
St. Pete Beach, FL 33706

**DATE:** January 28, 2016

**TIME:** 12:00 p.m.

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**MEMBERS IN ATTENDANCE:**

**BOARD OF TRUSTEES:** Mark Mason, CPA, Chairman  
Linda Senne, CPA, Vice Chairman  
Jerry Boop, CPA, Secretary  
Bill Kleinsorge, CPA, Treasurer  
Elaine Edmonds, CPA, Board member

**OTHER ATTENDEES:** Fenil Patel, SVP, PMA  
Rene' O'Day, VP, Florida, PMA  
Paula Cooper, SVP Operations, PMA (By Phone)  
Brian Hextell, Portfolio Manager, PMA  
Jim Davis, CEO, PMA (By Phone)  
Larry Aubrecht, SVP, FMAS (By Phone)  
Jeff Larson, President, FMAS, FLSAFE Administrator  
Hank Gay, VP, Custodian, BMO Harris Bank  
Mike Williams, Akermen LLP, FLSAFE Counsel (By Phone)  
Jerry Gray, City of Maitland (By Phone)  
Lori Ragus, Esq., Legal Counsel, PMA (By Phone)  
Vince Tenaglia, City of Madeira Beach  
Katherine Geiger, Pinellas County HFA  
Jim Graham, City of South Pasadena  
Amy Davis, City of Treasure Island  
Cheryl Hannafin, City of Gulfport  
Dan Carpenter, City of Indian Rocks Beach  
Harry Kyne, City of Seminole  
David Martin, Pinellas Suncoast Fire District

## **A. BUSINESS ITEMS**

### **1. Call to Order/ Roll Call**

Mark calls to order the meeting of board of directors for the Florida Surplus Asset Fund Trust for January 28<sup>th</sup>. Jeff calls roll. All the board members are present.

### **2. Public Comments**

Mark asks if there are any public comments. No public comments made.

### **3. Results from Board Seat Elections**

Mark and Jeff explain that this is the time for nominations for Board Chairman, Vice Chairman, Secretary, and Treasurer, following Jerry Boop's reelection for another 3-year term starting January 1, 2016. Mark asks for nominations for Board Chairman. Jerry nominates Mark Mason for Board Chairman. Linda seconds. All those in favor, say I, motion carries, 5-0. Mark accepts. Mark asks for nominations for Vice Chairman. Jerry nominates Linda Senne for Vice Chairman. Elaine Edmunds seconds. All those in favor, say I, motion carries, 5-0. Mark thanks Linda for serving again. Mark asks for nominations for Secretary. Linda nominates Jerry Boop. Bill Kleinsorge seconds. All in favor, say I, motion carries, 5-0. Mark thanks Jerry. Mark asks for nominations for Treasurer. Linda nominates Bill Kleinsorge, Jerry seconds. All those in favor, say I, motion carries, 5-0. All Board members can resume their seats. Mark thanks everyone for serving again, and Elaine Edmunds for hosting the Board meeting in St. Pete Beach.

### **4. Approval Prior Board Meeting Minutes**

#### **(a) October 29, 2015**

Mark asks for the approval of prior FLSAFE Board Meeting Minutes for October 29, 2015. Jerry makes a motion to approve the minutes from the Board Meeting, Linda seconds. All those in favor, say I, motion carries, 5-0.

### **5. Participant and Guest Introductions**

Mark asks for the participant and guest introductions, both in attendance, and on the phone. Mark thanks everyone for attending, especially the many Gulf Coast area participants and local governments.

### **6. Resolution: Revenue Recognition Policy**

Mark asks for Jeff to present the policy. Jeff mentions the previous Revenue Recognition Policy adapted by the Board in 2008, that set aside 2 B.P. to help amortize the Reserve Fund position. In 2011 following its selection as IA firm, Royalty Sponsorship Agreement with PMA was executed and monthly proceeds from FIIP/Term Series has helped to further amortize the position. Jeff recommends suspension of the current Revenue Recognition Policy as long as it doesn't affect the AAAM rating from Standard and Poors. Jeff hands out copies of Resolution to the attendees. Jeff asks Mike Williams if he has anything to add. Mike doesn't have any further comments. Jeff and Mark ask for questions from the Board. Elaine has a question about revisiting the policy later. Jeff answers that the effects of the policy will be visible every quarter, and suggests that it be reevaluated in January 2017. Not included in the Resolution, but in the Meeting Minutes. Mike Williams reiterates that the Resolution states that this will be for the rest of 2016. Mark and Board agrees. Mark asks for questions. Brian Hextell confirms PMA's

agreement with the Resolution. Mark thanks Brian. Mark asks for motion. Jerry moves for approval. Bill seconds. All those in favor, say I, motion carries, 5-0.

### **7. Resolution: PMA Capital Support Agreement**

Mark asks Jeff to provide the background. Jeff explains that the current Resolution with PMA relates to the FL SAFE LGIP or Stable Net Asset fund. Jeff reviews the amortization of the Reserve Position to a level below \$75,000 as of mid December 2015. He recommends that the amount in the account be reduced from \$200,000 to \$75,000 as stated in the Resolution. Jeff asks for questions. Mark wants to speak about why the Resolution was originally started. Mark points out that PMA in its role as the new IA firm in 2011, agreed to continue to amortize the Reserve Fund loss position. Mark asks for questions.

One attendee, Harry Kyne, asked for the current balance in FL SAFE Fund. Mark states approximately \$350 Million, including the LGIP, FIIP, and Term Series. Vince Tenaglia asks what the Fund is used for. Jeff explains that the fund is used for asset protection and support for the Stable NAW for the Fund. Jeff refers to the hand out to help explain. Mark reiterates use of Reserve Fund in 2008 via the prior IA firm. Mark states that FL SAFE changed investment policy to remain conservative with investments. Mark asks Jeff to speak on the amortization of the Reserve Loss Position in the Fund. Jeff mentions the shortfall of 2011. DFIM and capital support money of \$200,000 didn't leave the State. November 1<sup>st</sup> of 2011, PMA started as Investment Advisor. Jeff mentions Paula Cooper's comments on 1/12 of budgetary expenses set aside for fees. Jeff mentions agreement with PMA to provide the participants with the 2 basis points per the Board's Revenue Recognition Policy. Jeff reiterates that this will be tracked every month until next year. Mark asks the guest if the explanation is clear, and Vince says yes and thanks the Board. Jeff recommends the adaption of this Resolution. Mark asks for questions from the Board. Mark asks for motion. Linda moves. Jerry seconds. All those in favor, say I, motion carries, 5-0.

### **3. Investment Advisor/Operations Manager Update - PMA**

#### **(a) Economic, Market Update and LGIP Report**

Brian Hextell reviews the Economic, Market Update and LGIP update in the handout presentation. Brian goes over the portfolio, gross and net yield page, reviewing the increased, gross and net yields. Jeff mentions how this ties into the earlier point.

#### **(b) Operations Managers Report**

Fenil Patel starts with the report and reviews a summary of where the fund stood, the AAA rating and maturities. Reviewing the FIIP balance and the total assets, the whole program of \$376 million the Boards actions Friday will allow us to pay 29 basis points on the LGIP Fund balances. Also reviews the condensed financial statements of the Fund, along with showing net assets of the Fund listing all the total investment categories.

Fenil reviews Operations Manager's Report handout which is the bar chart of the historical assets since July 2011 and also reviews the budget analysis and payments that were made for the fourth quarter for 2015.

#### **(c) Term Series**

Fenil states that we've had a successful November and December 2015 term series, so

we're going to request the Board ratify the \$118 million we had in Term Series for November and December. Mark asks for a motion to ratify the November 2015 and December 2015 Term Series; Linda makes a motion. Jerry seconds. All in favor, say I. Motion passes, 5-0.

Mark asks if there are any additional comments from PMA. Rene' O'Day provides her comments about the increase in Term Series and participants, and excitement for 2016.

## **2. Administrator Update – FMAS**

### **(a) Marketing Update**

Jeff mentions his upcoming presentations at the Florida Tax Collectors Annual Seminar, and Gulf Coast FGFOA in February 2016, and Annual FGFOA All Day Investment Pre Conference in Orlando on June 11<sup>th</sup>. He passes on his regards for the fine work PMA did in position the FL SAFE LGIP Fund to take advantage of the December FOMC 2015 meeting, and the continued fee waivers from PMA and FMAS. This brought the net yields from 10 BP to 27 BP; with the Board's action today raising it to 29 BP net. He thanked Jim Davis, Lori Ragus, and Mike Williams for their hard work, and the accessibility of our chairmen to be a reliable sounders board. Mark asks for questions.

## **3. FLSAFE Counsel Comments**

Mark asks if there are any comments. No comments are made.

## **4. Participant Comments**

Mark asks if there are any participant comments. No comments are made.

## **5. Board Comments**

Mark asks if there are any Board Member comments. Bill comments about the basis point increase and how pleased he is with all the work Jeff and PMA did on this, and the result of increasing the net yields. Very good news, and very timely. Jerry echoes Bill's comments and thanks Jeff for his hard work adjusting the Resolutions and various polices and coordinating them. Jerry thanks PMA for their hard work and continued growth and the local Participants that took the times to join us today. Linda echoes Jerry's comments and appreciation for PMA, Rene' and Jeff. Mark thanks Jim Davis, Jeff, Rene, and PMA staff and shares his excitement for 2016.

## **C. SET NEXT MEETING DATE/ ADJOURNMENT**

Setting the future date for the next FLSAFE Board Meetings for April, July, and October.

April availability is April 28, 2016 (location TBD).

July is July 28, 2016 (location TBD).

October is October 27, 2016 (location TBD).

Mark states meeting adjourned at 1:20 p.m.

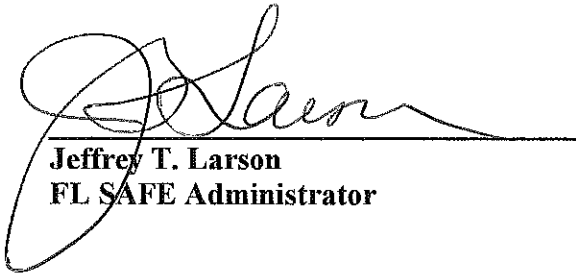
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APPROVED THIS 28 DAY OF April, 2015.

FLORIDA SURPLUS ASSET FUND TRUST

  
Mark C. Mason, CPA  
FL SAFE Chairman

ATTEST:

  
Jeffrey T. Larson  
FL SAFE Administrator