



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

**LOCATION:** Akerman LLC, CNL Center II Building,  
420 South Orange Avenue, Suite 1200, Orlando, FL  
32801

**DATE:** April 23, 2015

**TIME:** 9:00 a.m.

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**MEMBERS IN ATTENDANCE:**

**BOARD OF TRUSTEES:** Mark Mason, CPA, Chairman  
Linda Senne, CPA, Vice Chairman  
Jerry Boop, CPA, Secretary (By Phone)  
Bill Kleinsorge, CPA, Treasurer

**OTHER ATTENDEES:** John Mattern, SVP, BMO Harris (Trustee)  
George Graham, Esq., Akerman LLP. (FL SAFE Counsel)  
Fenil Patel, SVP, PMA  
Paula Cooper, VP Operations, PMA (By Phone)  
Lori Ragus, Compliance, PMA (By Phone)  
Steve Shanks, Clifton Larson Allen (FL SAFE Auditor) (By Phone)  
Brian Hextell, Portfolio Manager, PMA  
Jim Davis, CEO, PMA  
Renee O'Day, VP, Sales & Relationship Manager, PMA  
Michael Nguyen, SVP, Director of Investment Solutions, PMA  
Jeff Larson, President, FMAS, FL SAFE Executive Director  
Larry Aubrecht, SVP, FMAS (By Phone)  
Nicole Larson, Associate, FMAS  
Dan Carpenter, Finance Director, City of Indian Rocks Beach  
(Advisory Council)

## **A. BUSINESS ITEMS**

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

Mark calls to order the meeting of The Board of Directors for the Florida Surplus Asset Fund Trust for April 23<sup>rd</sup>. Nicole calls roll. All the board members are present, and a quorum.

### **2. Public Comments**

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

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

#### **(a) October 24, 2014**

Mark asks for the approval of the prior FLSAFE Board Meeting Minutes for January 23<sup>rd</sup>, 2015, Linda makes a motion to approve the minutes from the Board Meeting, Bill seconds. All those in favor, say I, motion carries. 4-0.

### **4. Participant and Guest Introductions**

Mark allows the participant and guest introductions.

### **5. FL SAFE Audit FYE 12/31/14; Board Approval**

Steve Shanks shares an overview of the Management Letter and Audit. No new findings for the Board. Steve explains the importance of the controls that are in place for FL SAFE regarding the Audit, from PMA and FMAS. The annual input from Jeff Larson, FL SAFE Administrator and Paula Cooper, PMA is always very helpful. We also spent time each year with your Board Chairman, Mark Mason and appreciate the Board's continued involvement and review. Steve provides an update on the Reserve Fund. No difficulties in this Audit.

No misstatements. No disagreements with Management. Steve discusses the FL SAFE Financial Statements. Not a lot of changes, similar to the year prior. Unmodified opinions. The additional Term Series are the only real significant change from 2014. Mark asked if there were any questions. Hearing none, he asked that the Board formally accept the Audit. Linda makes a motion to accept the audit, Bill seconds, and Board votes 4-0.

## **B. OTHER ITEMS**

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

#### **(a) Economic and Market Update**

Brian Hextell shares the Economic and Market Updates. He refers to the handouts and explains the continued inability to predict the Fed's movement. Housing prices should come back after the Winter quarter. GDP for the quarter was 2.2%. He explains we would like to get to a consistent 3% GDP for growth. He also reviews the global economy and explains that the BRIC countries had a downward sloping growth curve last quarter. Germany is trying to take action to try and stimulate growth. Brian shares that because of the worldwide instability in the markets, the US dollar continues to be very strong. Rates in the US are relatively high and there is not a lot of upward pressure on rates.

**(b) FL SAFE LGIP Portfolio Update; Comparative Market Review**

Brian reviews the FL SAFE Portfolio and explains that PMA is taking advantage of good 1 year rates to maintain the LGIP's net return of 10 b.p. He explains that FL SAFE is continuing to be competitive with other comparable funds. Brian states that FL SAFE maintains a lot of liquidity and is largely invested in bank deposits.

**(c) Operations Managers Report**

Paula Cooper and Lori Ragus review the Operations Manager's Update. Paula explains that total assets are up for the quarter. Paula reviews the Investment Report for the quarter and changes in Net Assets. Paula confirms the LGIP Fund is managed to a dollar. She explains the cash disbursements, the Budget Analysis and annual payments. The Board's Revenue Recognition Policy is still accruing 2 b.p. for full amortization of the Reserve Fund. The Shortfall has fallen below \$200,000 and that is also below PMA's Capital Support Agreement level. Lori explains the Compliance Report and the Mark to Market report. There are no issues. The WAM and Mark to Market are reflective for the quarter. Mark asked if there were any questions for either Paula or Lori. Hearing none, he turned it over to Fenil.

**(d) Board Ratification of January 2015 Term Series**

Fenil Patel states that in the January Term Series we had a 6 month and 12 month option.

Mark states that we want to make a motion for the Board to ratify the January Term Series for the 6 and 12 months periods. Linda makes a motion to ratify the 6 month and 12 month Term Series, Bill seconds the motion. Ratification approved 4-0.

**(e) PMA Comments**

Mark asks if there are any additional comments from PMA. Fenil addresses new changes in the Information Statement for FL SAFE. Due to continued developments with the SEC and MSRB, PMA has worked with Jeff Larson to move his licenses away from PMA. Rene O'Day also is now licensed as a Series 6 so the Orlando office for PMA has been added to the Information Statement. Mark asked if there were any questions, sharing congratulations to Rene, and his understanding of the change with Jeff. Hearing none, he asked for the Board to ratify the changed to the Information Statement so PMA can post it to the website. Jerry made a motion and Bill seconded. Board authorizes the changes to the Information Statement, motion carries 4-0.

**2. Administrator Update – FMAS**

**(a) Marketing Update, Presentations**

Jeff mentions that he presented to the Central Florida Chapter on February 6<sup>th</sup> and Fenil and Rene were able to fill in for Jeff due to a client conflict and present for the new North Central Florida (Alachua/Putnam Counties) chapter on Investments on April 18<sup>th</sup>. Jeff will also be presenting at the Palm Beach Chapter on April 30<sup>th</sup>. The upcoming conferences will be the FCCMA in May in Orlando and the FGFOA in June in Hollywood. We will have booths in the Exhibit halls for the Conferences, as well as arrange dinners with cosponsors for our clients. Fenil, Jeff, and John Huber will be speaking at the FGFOA Investments Pre-Conference on Saturday, June 13<sup>th</sup> and they expect to have around 250 people attending. Mark, Dan Carpenter, and Jeff will be speaking on Monday, June 15<sup>th</sup> during the main conference on Investments for small to

medium governments. Rene O'Day and Mark will be speaking on Tuesday, June 16<sup>th</sup> regarding Banking Services.

**(b) FMAS Comments**

Mark asks if FMAS has any other comments, Jeff responds that FMAS has no further comments.

**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. Jerry states his appreciation for the team, as well as a welcome to Rene for joining the FL SAFE team. Linda thanks PMA and FMAS for their hard work, as well as welcoming Rene to the team.

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

Setting the future date for the next FLSAFE Board Meeting to Thursday, July 23, 2015 at 12:00 p.m. Mark states meeting adjourned at 9:32 a.m.

**Signature Page**

**APPROVED THIS 6<sup>th</sup> DAY OF AUGUST 2015.**

**FLORIDA SURPLUS ASSET FUND TRUST**



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**Mark C. Mason, CPA  
FL SAFE Chairman**

**ATTEST:**



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**Jeffrey T. Larson  
FL SAFE Administrator  
President, FMAS**