



FLORIDA SURPLUS ASSET FUND TRUST
3452 LAKE LYNDA DRIVE, SUITE 114, ORLANDO, FLORIDA 32817

FLORIDA SURPLUS ASSET FUND TRUST
MINUTES OF THE BOARD OF TRUSTEES

LOCATION: City of Venice, Community Hall
401 West Venice Avenue, Venice, Florida 34285

DATE: April 19, 2011

TIME: 1:00 p.m.

MEMBERS IN ATTENDANCE:

BOARD OF TRUSTEES: Jim Anderson, Vice-Chairman
Mark Mason, Secretary/Treasurer
Linda Senne, Treasurer Trustee
Jerry Boop, Treasurer Trustee
Don Moore, Treasurer Trustee

OTHER ATTENDEES: Sam Doyle, President – DFIM
Glenn Scott, Portfolio Manager – FLSAFE
Trisha Mingo, Fund Administrator – FLSAFE
Bill Spivey, VP Client Service Manager – FLSAFE
Jeff Larson – Larson Consulting Services
Larry Aubrecht – Larson Consulting Services
Michael Williams, Esq. – Akerman Senterfitt
Chris Trovato, Finance Director – City of Treasure Island
Ted Beason, Asst. Finance Director. – City of Temple Terrace
Bob Clinger, Finance Director – City of Deltona
Mike Tanski, Senior Accountant – City of Venice

A. CALL TO ORDER/ROLL CALL

1. Jim Anderson called the meeting to order at 1:00 p.m. and a quorum was present.

The Board discussed the agenda and decided to amend the order of agenda items. *Mark Mason motioned to move Agenda Item A.4 to Agenda Item C.2 and Jerry Boop seconded.* The motion was approved unanimously.

2. Minutes of January 27, 2011 Board meeting
Due to insufficient time to review the minutes, the Board decided to table this item. **Mark Mason motioned to table the January 27, 2011 minutes until the next Board meeting and Jerry Boop seconded.** The motion was approved unanimously.
3. Guest Introductions
Jim Anderson asked that everyone introduce themselves.

B. ADMINISTRATOR REPORT & PORTFOLIO REVIEW

1. Portfolio Manager's Report

a. Economic Review

Glenn Scott discussed market conditions in this low rate environment. The discussion included the repurchase agreement or "repo" market. The Dodd-Frank Act required higher FDIC fees on repos, which made rates fall to **near** zero at one point. **Money Market Fund rates, as a result, are down.** Bank deposit rates are the main competition for yield and are higher at this point. Reviewing the Summary Economic Analysis page, it was pointed out that Japan has affected the market by requiring wealth to return back to support the efforts to settle claims and create liquidity in light of the tsunami and nuclear plant disasters. Treasury yields have trended upward as securities are liquidated. The Middle East is another factor with stability in Saudi Arabia remaining a key factor. Housing remains a problem with housing prices appearing to depreciate again and form a double dip decline. Payroll remains consistent at around 200,000 jobs created per month. Manufacturing employment is expanding and private sector employment is greater than public sector employment as the public sector is shrinking. The **official** unemployment rate is 8.8%. GDP growth is around 3%. **The Fed's QEII program is finished at the end of June. Oil is up over \$100/barrel.**

b. Asset & Rate Comparison

Trisha Mingo reviewed **ed** asset levels. Average assets were about \$186,000,000. Ending Assets were \$193,000,000. Bill Spivey opened another account with Osceola County which is unfunded to date. Another account that Trisha and Glenn are working on is a Wells Fargo Omnibus account so that those who use Wells Fargo can choose FLSAFE as an investment option. **They have** two prospects targeted.

Glenn Scott explained that FLSAFE uses the S&P LGIP Index as a benchmark. He also reviewed FLSAFE rates versus other LGIP's in Florida. There **was some** Board questions regarding specifics of the other LGIP's and Jim Anderson reiterated to the audience that the investment guidelines for FLSAFE are structured **d** to not chase yield.

c. Portfolio Review

Glenn Scott briefly reviewed the summary of performance measures for FLSAFE. He briefly explained that FLSAFE is a 2a-7 like pool. He also explained the **three** measures of risk including the Weighed Average Maturity, Weighted Average Life and the Net Asset Value per share.

Mr. Scott reviewed the portfolio securities and discussed his thoughts and strategies. He stated that he is moving more toward LIBOR-based **floating-rate** securities. LIBOR will be an indicator of rate changes in the US and Europe. The only asset-back commercial

paper is FCAR, which is highly rated. A small amount of Corporate Bonds were purchased. The two major Collateralized Bank Deposits are with Bank of America and BB&T. FLSAFE has a small amount of cash in two Money Market Funds.

d. Out-of-state deposits/other LGIP Portfolios

Glenn Scott briefly discussed the portfolio holdings of Florida PRIME and FACC Day-to-Day Fund and the use of out-of-state Yankee CD's. His research as to the authority to purchase these securities under Florida State Statutes resulted in two conclusions: either they are categorized as corporate bonds, which he feels is a stretch, or the expanded powers provision in the state statutes is allowing the governing boards to sign-off on their use. The use of Yankee CD's creates an unlevel playing field in terms of increased spread.

Glenn also asked the Board for direction on how to educate others on the use of Yankee CD's or their non-use in FLSAFE. Jim Anderson wants liquidity and **conservation** to continue to be the mantra of FLSAFE. Mark Mason stated his sensitivity to make sure there is no "bashing" of other pools for their use, especially on the FLSAFE website **and only state the facts**. Sam Doyle also stated that Davidson will take the "high road" when it comes to communication. Glenn opened the floor to any other questions and states he and Julie Hughes are always available to answer any questions as the portfolio managers for FLSAFE.

2. Fourth Quarter 2010 Unaudited Financial Report

Trisha Mingo discussed the Cash Flow Statement showing \$171,000 in Gross Investment Income and **she briefly** went through the expenses. **The quarter ended on the upside.**

3. Checking Account Review

Trisha Mingo started discussing the Checking Account. Jim Anderson pointed out how FLSAFE opens their checkbook every Board meeting for review.

Don Moore asked to go back to the Statement of Net Assets and asked if the Deposit by Investment Advisor was a liability back to Davidson. Ms. Mingo clarified the amount as \$131,275 and stated "yes". Mr. Moore asked how it was being paid down. Ms. Mingo stated the amount is being amortized and at the end of the year the auditors asked that **the loss** due to The Reserve be booked in the fourth quarter. Also, Davidson has maintained the \$200,000 as an escrow deposit since December 2008. At the end of March, \$70,000 was required to maintain the 0.9975 level stated in the Standby Capital Agreement and the difference is the amount \$131,000 number. Mr. Moore wanted more clarification and asked if FLSAFE still owes Davidson \$131,000 and is it a loss that is being amortized. Sam Doyle stated that FLSAFE does not owe anything. Mr. Moore wanted an explanation of the liability of the deposit. The liability on the books means to Mr. Moore that either they owe somebody some money or there is an unamortized differed income. Glenn Scott stated that the liability is contingent. The event date has not been determined. He further stated that we, collectively, have made a determination to start amortizing the losses, but the determination of the loss has not occurred so it is still a contingent liability. Once the event date is determined, this status of this line item will be altered.

Mr. Moore still asked if Davidson had been repaid or how much was owed to Davidson and stated his continued confusion. Mr. Moore clarified his understanding that Davidson "shored-up" the pool with \$200,000 and wanted to know if FLSAFE **repaid** Davidson the money. Sam Doyle said no, you do not owe us the money. Upon further discussion, **Mr. Moore**

understood that Davidson does not expect a payment. Mr. Moore asked if a check was cut to FLSAFE and Ms. Mingo replied that the money was transferred to an escrow account at Region's Bank. Glenn Scott replied that unless there is a windfall from the final disposition of the Lehman shares, there will likely be a loss and the loss has to be made up somewhere in order to maintain the NAV, which is the purpose of the \$200,000. Mr. Moore said it made sense now and that he had a hard time understanding why Davidson would put money in without an expectation of getting paid. Mr. Doyle stated the Davidson has already realized the loss of the \$200,000 on its books. Mr. Moore stated that his questions have been answered.

Jerry Boop asked if the intent of Davidson is to amortize revenue over a certain amount of time on FLSAFE's books internally. Sam Doyle stated that there is still a gap and he will be discussing ways to make-up the remaining gap. Trisha Mingo stated the remaining gap is \$518,000. Mr. Doyle asked if the Board would like to discuss those options now. Mark Mason pointed out that this was the first time he has seen the financials, but on page 16 of the attached audit, Note 5 has an explanation of what occurred, what was booked in the previous audit, when funds were received and where we are at. Mr. Moore stated that he thinks it should be a reserve for a loss, not a deposit by investment advisor since a deposit is a liability to be repaid. He thinks it should be a reserve for an unrealized loss. Jim Anderson asked if there were any other comments or questions.

4. 2011 Budget Analysis

Trisha Mingo briefly discussed the quarterly expenses versus the 2011 budget.

5. 2010 Audit

Trisha Mingo apologized for getting the audit to the Board members at the Board meeting. Internally there were last minute changes and updating by the CFO of Davidson. Jim Anderson asked if there were any deadline regarding the governance of the fund that would cause the financials not to be approved until the second quarter meeting. Mike Williams stated that the Trust requires the audit to be filed with the Board within 90 days of the end of your fiscal year, which was December 31, 2010. The date of the audit is March 31, 2011. There is no obligation by the Board to approve it, but there is a responsibility to send it to the participants. The Board can accept the audit in order to file it today, but can wait to send out to participants until a more detailed review and discussion can be had by the Board members.

Jim Anderson asked for the direction from the Board. Mark Mason stated that there is no requirement to make a motion to accept the audit. He is fine with it. With four accountants on the Board, we want and enjoy reading them.

Mark Mason motioned to accept the 2010 audited financial statements and to approve the 1Q unaudited financial statements. Don Moore seconded. Glenn Scott suggested that after a review of the audit that there is a conference call to go over the comments with the auditors. Jerry Boop asked if there were any Management Letter comments. Trisha Mingo stated no. Mark Mason wanted to know what the CFO issues or comments. Ms. Mingo added that the CFO comments were directed to the wording of The Reserve loss language and the Davidson support since the 2009 audit reflected asset levels above the \$200,000 requirement and the support was not needed at the time. The Board did not feel that a conference call with the Auditor was necessary. The motion was approved unanimously.

C. OTHER ITEMS

1. Marketing

Bill Spivey announced that he was resigning from his position as Client Services Manager effective May 6th. Trisha Mingo briefly explained that Julie Hughes recently finished the March 2011 newsletter and opened up for comments from the Board for any suggestions, including more blast emails. Mark Mason asked if the March newsletter went out and who did it go out from as he did not receive a copy. Ms. Mingo stated it did go out to all participants. Mr. Mason suggested that all emails go out with a “[flsafe.org](#)” email address, not the “[dadco.com](#)” email address. Ms. Mingo stated that she will check with the IT department on that. Jerry Boop reiterated **his support for a “[flsafe.org](#)” label**. Mr. Mason suggested on the newsletter to switch the second page with the first page so that the FLSAFE information is in your face. He also asked who the newsletter is sent to. Bill Spivey stated that his **marketing** database will be transferred to Trisha **and Danielle** upon the final transition. Jim Anderson added that the marketing is about public service and as an alternative to other investment vehicles.

2. Sam Doyle to address Board

Sam Doyle reiterated the \$200,000 is **not a “liability” and was** a write-off for Davidson so no repayment is expected. In addition, other discussions include options to get the fund back up to a buck. The amortization schedule may work, but it will take too much time and the fund will struggle in his opinion. His recommendation to the management at Davidson **was** to waive their entire fee for an extended period of time. At \$180,000,000 in assets, the fee generated is approximately \$270,000 in one year so that in possibly 16-17 months the fund is fully restored.

On the marketing side, we are sorry to lose Bill Spivey and Jeff Larson has resigned as a solicitor so they have looked at parallel paths. One, they will aggressively pursue another marketing person in the State. It will be difficult to find someone, but it can be done. Also, are there advisory firms that cannot compete with the other funds with a LGIP and we **would have to** pay them a fee to assist in marketing. Mr. Doyle said he will keep the Board updated.

Mark Mason stated that he recognized the struggle to market the fund, but with Bill Spivey leaving, he has a concern with not having a Florida presence. A core group formed FLSAFE. CSAFE was the primary reason for Mark joining. There seemed to be a DFIM presence early, but it died away. Davidson Fixed Income Management is not a big name in Florida. Last year was the first change in FLSAFE (with Chris Blackwood leaving) and the Board stayed with **DFIM** and he believes the Board did the right thing. Now with the splinting off, Mr. Mason is concerned that there is no Florida presence for the administration of the Trust. He stated that he is not a fan of the use of financial advisors when it comes to investments. Mr. Doyle stated the **financial advisors would** not give advice, but only open doors. **Our first and foremost goal is to fund one or two people to market in the state. The financial advisors** are only options. Mr. Mason stated that one of those options may be that DFIM’s investment advisory services are deemed **to be** what is most important for FLSAFE today. The administrative services should be in Florida. CSAFE is served in Colorado and is very successful given the level of investments. **The problem is** people in Florida want to know you are from Florida and **that** you understand the issue and what is happening in Florida. The original agreement stated both investment and administrative services be provided by DFIM

and he is suggesting that uncoupling the administrative portion as an option **and keep investments**. Examples include the late agenda packets and audit, scheduling meetings, etc. Website would be DFIM. **He is not sure if they need another marketer, but he** wants an in-state Administrator that can sell the fund. He has been frustrated over the past 9 months by seeing two other funds aggressively marketing and also seeing the formation of the School District fund. He would be looking for someone who has been in Florida for a long time and knows people; **someone to administer it and get thing out like the agenda out**.

Jim Anderson asked if there are some timeframes for the alternatives to come back to the Board. Mr. Doyle stated he is working on it now. You will hear from me before the next Board Meeting and it is important that I communicate with you more than I have in the past. Mr. Doyle stated that he hears the Board and respects it and they will do what they can, **but he does not think there is just one answer. Jim Anderson said with Bill leaving, it provides an opportunity for a fresh look**. Mark Mason said he does not want to wait three months. We have someone in the room who was a part of the team that helped start FLSAFE and is more of the administrative/marketing type than anyone Mark knows. He does not know why that is not an alternative. He stated that the Board and participants own the Trust and he has money in it. He was a founding member and started with DFIM with investments two cities ago. He thinks that it is worth evaluating a split in the investment function from the administrative function and he would like to hear from the Board before making a motion.

Linda Senne **stated** from an administrative function, she wanted to keep continuity as far as being in Florida. Don Moore was shocked to find out that there were two agreements for Investment Advisory and Advisory Services agreements. After reviewing the check register and never seeing salaries for staff. Sam Doyle stated that there is no staff for FLSAFE. Mr. Moore sees other funds with a separate Administrative side. He stated that he was not in a position to offer an opinion, but did not like getting an agenda packet at the last minute as a side bar comment. He would need to do more homework. He liked what Mark was saying in light of Bill Spivey leaving and he asked Bill if he was an employee of FLSAFE. Mr. Spivey replied **“DFIM”**. He prefers a Florida presence as he gets out-of-state cold calls all the time.

Jerry Boop says that he aligns with Mark’s thoughts and stated to Sam Doyle that he is thankful for what he brought to the table as far as the additional sacrifices **by DFIM** to bring the fund back to where it needs to be. It speaks loudly of Davidson. The Board wants the fund to grow, **get more aggressive** and he has offered to help in any way. FLSAFE has taken pride in “transparency” and “telling the truth” because he has to stand in front of a “Board of Directors” and tell them what is going on so a decoupling of these two functions may lend more credibility in Florida. Jerry Boop stated that he believes that he knows who Mark Mason was speaking about to handle the administrative/marketing functions in Florida and he would entertain a motion. He wants growth for FLSAFE soon. The City of Leesburg has \$30,000,000 and wants it to grow and see his assets grow. He does not want a decision to **languish** for three months until the next Board meeting. We have resources in the room to get it done. We need someone who is aggressive and **move us forward**.

Sam Doyle stated he assumed they are talking about Jeff Larson who has worked with them in the past and maybe we have to come up with a different arrangement with FLSAFE where Jeff reports directly to the Board. He did not want to get ahead of himself given compliance and SEC regulations that he has to deal with so he will have to get back on that. Mark Mason stated that Glenn Scott has done a remarkable job to reposition the assets in FLSAFE. It is clear that things have changed and he can’t thank Davidson enough for what Sam and Davidson was willing to do to **bring** The Reserve fund back to zero. When we made the

decision 6 months ago not to entertain someone else to serve as the investment advisor, it was because of what Davidson has done. He stated his frustration for a year **with an unchanged balance sheet** and they need to reevaluate what they are doing. He thinks it is in their best interest to decouple the administrative part of the fund and did not think it would change the fee structure that much since Davidson would perform the majority of its current roles.

Linda Senne stated her agreement. Mark Mason also suggested with the FGFOA conference coming up at the end of June that the Board take formal action at or by this time. It seems a decent timeframe to come up with something and it is important to **move forward with something today. Linda Senne asked if they could make a motion to move forward to start marketing the Florida Administration side of it. Sam Doyle replied that you can do that, but he has to go back to his bosses to make sure everything is appropriate and acceptable to DFIM. Jerry Boop said that he would frame a motion around that thought.**

Jerry Boop made a motion that the Board considers Jeff Larson to handle the administrative duties of the Board as they move forward subject to the terms and conditions of the current DFIM agreement to make sure there is no conflict and that we look at uncoupling things from Davidson to the extent that we have a resident person in Florida who knows the State of Florida, who can work for and report directly to the Board.

Mr. Boop asked Mike Williams if the motion **has** a conflict. Mr. Williams stated that the current agreement with DFIM provides for 60-days and the one agreement can be converted into two agreements fairly easily. He stated that if the Board wanted to do something before the next meeting that he will need some direction before any motion is finalized. ***Mr. Boop also stated that he would amend his motion to include asking Mark Mason to look at a contract drawn up between the Board and Mr. Larson and look at the issues involved and work the Board through that. Linda Senne seconded the motion.***

Jim Anderson asked for further discussion. Don Moore asked if there were any procurement issues that the Board is dealing with in this motion. Mr. Mason commented that they fall under the Florida Statutes and that if they were going to do a contract for administrative services that there would need to be a waiver of the process. Don Moore agreed. Mr. Moore also asked for Glenn Scott's thoughts on this process. Glenn Scott states that he thinks we need to be careful to define what exactly "administration" means and we should go through the line items of duties that have to be segregated and have a conversation with Mr. Larson and his firm about what they are actually proposing to take on, the components of that, and it goes back to what Mr. Mason's definition of what is "administration". There may also be regulatory issues. Sam Doyle stated that things have changed with regard to **Solicitors**, but that Davidson will get the Board all the information they need to make a decision.

Mark Mason acknowledged that Jeff Larson was in the audience and gave him a chance to speak regarding the motion by the Board and whether he even wants to do it.

Jeff Larson stated the 2+2 is 5. He said that he was asked to help support and create FLSAFE. We needed an alternative and transparency. Mark requested transparency of the checkbook. It is a good opportunity for some discussion and considerations and holds Glenn and Julie in the highest regards for portfolio management. **Trisha does a good job and that he does not want to do their jobs.** Bill Spivey leaving was a concern and the Dodd-Frank Act has changed the industry. He stated that he could not have a conflict of interest between reporting to any firm and reporting to his clients as a financial advisor. The portfolio management and credit committee at Davidson is fantastic. With some changes in staff, he

feels other things were missing. What he is hearing is that the Board wants someone to represent them and prepare for Board meetings, and for the fund to grow. He stated he is not a CPA, but Davidson is a center of excellence. The state needs a fund like FLSAFE with its transparency and a board of its peers. He discussed the fee arrangements that other funds in Florida have internally and each fund is different. He is happy to consider this arrangement if it is the will of the Board.

Mark Mason asked Jerry Boop to restate the motion to include Mr. Mason's duties.

Linda Senne withdrew her second to the motion.

Jerry Boop restated his motion that the Board consider Jeff Larson to take over the administrative duties associated with FLSAFE subject to the conditions related to purchasing and a waiver to the purchasing rules and regulations associated therewith; Also that the contract and relationship would be done in such a way that the duties would be decoupled from Davidson's current DFIM agreement subject to their internal process; Also, that Mark Mason would oversee the process of the contract. Linda Senne seconded the motion. The motion was approved unanimously.

Jim Anderson asked if there were any other matters to consider.

Mark Mason asked Mike Williams about the 60-days. Mr. Williams stated the Indenture of Trust states a 60-days notice. Mr. Mason asked if the Board wanted to have a special meeting at the end of June. Jim Anderson said that he thought they should and that they would not want to wait 90 days for the transition at the next Board meeting. They would be waiting to hear back from Sam and Glenn on the transitional issues and the moving forward issues. Bill Spivey stated that the FGFOA conference is at the end of June. Does the Board want the special meeting to happen before the FGFOA conference? Mr. Mason said that everyone would be in Boca on that weekend and he would not be available on Tuesday or Wednesday, period, so Monday would be the best day. Jeff Larson also stated the FCCMA conference **starts the 1st of June**. Mike Williams stated that a quorum would need four Board members physically present to hold the meeting. Mr. Larson asked for the purpose of the meeting in Boca. He did not get a sense that the DFIM **contract** would be terminated; only amended, as scopes move around. Sam Doyle and Jim Anderson differed to Mike Williams. Mark Mason stated that he is not looking to terminate the DFIM agreement. His view is that there will be a decoupling of certain administrative functions and said that Trisha Mingo has done a great job. Mike Williams stated **an** agreement would reflect that Jeff Larson takes on certain responsibilities under the current DFIM contract while Davidson continues with duties that do not fall into Jeff's duties. His thoughts were that the motion would take affect within 60 days from today with no desire to terminate the contract. Mark Mason stated it was by the end of June and Monday, June 27th seemed to work for Mark, Jerry and Linda so far.

Jeff Larson asked Mark Mason what he thought was the purpose of the meeting. Mr. Mason stated it was to approve **a** contract with Jeff Larson. Jeff Larson added that what is missing is the opportunity to keep FLSAFE in front of the people and that is not a smart thing to do and Bill Spivey is not here. Linda Senne stated her concern for efforts to market FLSAFE between now and the FGFOA meeting. Who will be doing anything? Mr. Mason responded that it was a very good question. Ms. Senne also asked if FLSAFE would have a booth at the FGFOA conference.

Bill Spivey added that he has the flexibility to stay on board through the FGFOA conference. Sam Doyle stated that he would talk about it. Mark Mason stated that it sounded reasonable. Jim Anderson said that way it would not be a dead stop. Don Moore pointed out that technically, DFIM would have to provide the administrative services up until the termination of the contract.

Mark Mason stated that the motion only authorizes Mr. Mason to negotiate something with Jeff, but it is not an approval of the Board. A meeting will be needed to approve it. Mike Williams stated the issue is the 60-day provision so the motion indicated that the administrative responsibilities existing in the contract would be terminated either within 60 days or there may be a reason to extend those provisions though the FGFOA meeting in Boca. Davidson has the right to agree to terminate the contract before the 60 days. Jim Anderson's thoughts are that everyone live up to the terms of the existing contract. Mark Mason wanted to clarify if there would be a conflict if there were two administrators at the same time. Mike Williams stated that he would like to look at the contract and FLSAFE would probably have the right under the Indenture to have a co-administrator. Glenn Scott also reiterated that he presumes that all the discussions would be negotiated in good-faith and it is important because if Davidson were to agree with the FLSAFE Board that would negate the necessity of triggering the termination of or cancelling the contract. Mr. Mason reiterated that the FLSAFE Board is not cancelling the contract and he asked Mr. Williams to confirm that he is delegated the authority to negotiate the contract to be brought back to the FLSAFE Board. Mr. Williams said it would be best to send any comments to him to comply with Florida Sunshine requirements.

Jeff Larson discussed the importance of attending the upcoming conferences and it is a lot of work. He said he is committed to do whatever needs to be done in conjunction with Mike. Mark and Sam needs to feel comfortable with it or amend it if you don't like it, but these are big conferences and it is important to keep FLSAFE in front of the public.

Mark Mason summed up the discussion by saying he and Jeff Larson will have a discussion, produce some documentation, Mike Williams will be the go-between, the Board will send their comments to Mr. Williams on the contract, and if everyone is comfortable, Mr. Mason will sign the contract and Mr. Larson will be doing something well prior to June 1st and be the man standing in front of the booth. Don Moore asked if Mike Williams will be working with Davidson on the amended DFIM contract and will the contract come back at a later Board meeting. Sam Doyle answered "yes" to Mike Williams working with Davidson on the amendment and "no" to the amended contract coming back to the Board as he would want this issue completed as quickly as possible. The Davidson attorneys' will look over the contract and make the appropriate changes to look out of Davidson. Mike Williams reiterated the need to have a meeting at the FGFOA conference with the appropriate advertisements whether a meeting is needed or not and Jim Anderson concurred.

Mark Mason reiterated that he never considered changing Davidson as the Investment Advisor both last year and at this moment. Davidson has done a great job. His concern is only for the future of this fund in state.

Jim Anderson asked for any comments from the public.

D. SET NEXT MEETING DATE / ADJOURNMENT

Bill Spivey stated that the meeting on Monday, June 27th will be a Special-Called Meeting. The Board discussed the next regularly scheduled Board Meeting and the third week of July was targeted. It was determined that a tentative date of Wednesday, July 20th is the best date and the location would be in Orlando.

Mark Mason motioned to adjourn the meeting and Jerry Boop seconded. The motion passed unanimously. The Board meeting adjourned at 2:45 p.m.

Meeting Minutes – April 19, 2011
Signature Page

APPROVED THIS 31 DAY OF August, 2011.

FLORIDA SURPLUS ASSET FUND TRUST

A handwritten signature in black ink, appearing to be "John S. H.", written over a horizontal line.

ATTEST:
