



**FLORIDA SURPLUS ASSET FUND TRUST**  
**3452 LAKE LYNDA DRIVE, SUITE 365, ORLANDO, FLORIDA 32817**

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**FLORIDA SURPLUS ASSET FUND TRUST**  
**MINUTES OF THE BOARD OF TRUSTEES**

**LOCATION:** Core Communities  
10521 SW Village Center Dr., Suite 201  
Port St. Lucie, FL 34987

**DATE:** February 10, 2009

**TIME:** 1:09 p.m.

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**MEMBERS IN ATTENDANCE:**

**BOARD OF TRUSTEES:** Henry Fishkind, Chairman  
James Anderson, Vice Chairman  
Harry Dressler, Non-Treasurer Trustee  
Mark Mason, Treasurer Trustee

**OTHER ATTENDEES:** Chris Blackwood, Managing Director – FLSAFE  
Bill Spivey, VP Client Service Manager - FLSAFE  
Diane Cooper, Admin. Asst – FLSAFE - via phone  
Jeff Larson, SVP - D.A. Davidson & Co. – via phone  
Marcia Dedert – City of Port St. Lucie  
Debbie Shinn – City of Port St. Lucie  
Tom O'Reilly – City of Port St. Lucie

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**1. CALL TO ORDER/ROLL CALL**

The Chairman, Henry Fishkind, called the meeting to order at 1:09 p.m.

**2. BUSINESS ADMINISTRATION**

**Minutes of November 2008 and December 2008.** The Board reviewed the November 2008 meeting minutes. Mark Mason motioned to approve the November 2008 meeting minutes and the motion was seconded by Harry Dressler. The Board reviewed the December 2008 meeting minutes. Mark Mason motioned to approve the December 2008 meeting minutes and the motion was seconded by James Anderson. The November and December meeting minutes were approved unanimously.

**Fourth Quarter Unaudited Financial Report.** Chris Blackwood explained the unaudited Financial Statement. Chris reviewed portfolio assets and discussed a new US Agency security purchases. He stated that for new portfolio purchases, there will be a higher degree of due diligence required given today's economy and market fluctuations. Davidson Fixed Income Management ("DFIM") will be developing a new database to monitor securities in money market funds and limit indirect concentration risks. Also, Chris stated that internally, he will increase the diversification requirement of certain securities such as money market funds (MMF) to lower concentration risk.

Within the next couple of weeks, the Reserve MMF is expected to distribute its third installment payment of about \$3-4 million at par to FLSAFE and Chris estimates another year until all issues are resolved with the pending litigation by other parties. In discussions with Jim Goldsmith and Hank Fishkind it was determined that the costs of FLSAFE litigation would outweigh the benefits.

Chris indicated that as a local government investment pool, FLSAFE is eligible for a new liquidity program (MMIFF) that was created by the federal government.

James Anderson motioned to accept the financial report, the motion was seconded by Mark Mason. The unaudited, 4<sup>th</sup> Quarter Financial Report was approved unanimously.

**2009 Budget.**

Chris stated that the 2009 budget was conservative and incorporates modest asset growth assumptions. Outside of administrative/advisory fees, the largest expenses will be for audit, insurance, and legal fees. Mark Mason motioned to approve the budget and was seconded by Jim Anderson. The 2009 budget was approved unanimously.

**3. BUSINESS ITEMS**

**a. Board of Trustees Elections**

Ballots were received from most of the participants and tabulated. All participants voted unanimously to approve the following:

- 1) Increase the number of trustees serving on the Board from five to six members.
- 2) The results of the Board of Trustees elections are as follows:
  - a. **James Anderson, Traditions CDD No.2** was nominated for a three-year term ending 1/1/2012.
  - b. **Harry Dressler, City of Tamarac** was nominated for a three-year term ending 1/1/2012.
  - c. **Fritz Behring, Clay County** was nominated for a one-year term ending 1/1/2010 as a representative for County entities.

Mark Mason made a motion to accept the results of the ballots and was seconded by Jim Anderson. Hank Fishkind congratulated everyone for their new/renewed positions on the Board of Trustees.

#### 4. STAFF REPORTS

a. Economic Update and Portfolio Structure

Chris Blackwood briefly discussed the economic data. Harry Dressler asked about eligibility of FLSAFE-held MMF for TARP coverage. Chris replied that only the Fidelity MMF would be eligible because it was in the FLSAFE portfolio as of September 19<sup>th</sup>. All other MMF purchases were made after this date. Discussion continued regarding the Qualified Public Depository program in Florida (“QPD”) and FLSAFE staff will distribute information to the Board for review.

The Board continued discussions regarding risk with the purchase of different securities. Chris Blackwood discussed his view of the current commercial paper market and that he has begun discussion arrangements with highly-rated Florida banks in anticipation of an upward rate environment in the future. Hank Fishkind stated that he and the other Board members are pleased that DFIM is paying attention to the financial markets and working diligently to protect the investments of FLSAFE.

b. Marketing

Many of the Board members expressed their appreciation with the outreach throughout the state as reflected in the marketing map. Discussions ensued regarding how the Board can help and Bill Spivey provided feedback he received from prospects. Bill suggested having a one page flyer with the Board member names and contact information. Mark Mason also suggested that Bill prepares a list of who he has contacted in order to let the board members assist with outreach efforts. The Board agreed and asked Bill to prepare the list and email to the Board members.

Marcia Dedert from Port St. Lucie stated her reassurance in FLSAFE after the return of liquidity and that there is a need to find places to put surplus funds, like FLSAFE. Discussion ensued regarding Certificates of Deposit, FDIC coverage and the temporary, federally-insured Commercial Paper program.

- c. Chris stated that the audited financial statement should be completed by the end of March 2009. Jim Anderson made a motion to give authority to Chris to release the audit as soon as it is complete and Mark Mason seconded.
- c. Bill Spivey proposed that the next board meeting be held in Tamarac on May 6, 2009. The Board members all confirmed that the date was clear and Bill stated that he will confirm with the City of Tamarac.
- e. Chris Blackwood stated that there is a new Florida Association of Counties and County Clerks Day-To-Day MMF open to counties and it is AAAM rated.
- f. Chris Blackwood mentioned a Bloomberg article that came out in January regarding the lack of traction by the SBA and twice listed FLSAFE as a new investment pool.

**5. ADJOURNMENT**

Harry Dressler moved to adjourn the meeting at 2:20p.m. Mark Mason seconded the motion. The motion passed unanimously.

APPROVED THIS 6 DAY OF May, 2009.

**FLORIDA SURPLUS ASSET FUND TRUST**



ATTEST:

