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

LOCATION:	**Zoom**
DATE:	**July 31, 2025**
TIME:	**12:00 p.m.**
RE:	**FL SAFE Board Meeting Minutes**

MEMBERS IN ATTENDANCE

BOARD OF TRUSTEES:
Linda Senne, CPA, Chair
Chris Reeder, Advisory Council Liaison
Christine Cajuste, CPA, MBA, Secretary
Heather Abrams, Treasurer
Jerry Boop, CPA, Vice Chair

OTHER ATTENDEES:
Jeff Larson, President, FMAS, FL SAFE Administrator
Nicole Larson Sydney, VP, FMAS, FL SAFE Administrator
David Rosen, Esq., Akerman LLP, FL SAFE Counsel
Larry Aubrecht, SVP, FMAS
Alexis Koter, City of Inverness, Advisory Council
Hank Gay, BMO Harris, FL SAFE Custodian
Mel Hamilton, Chandler Asset Management
Lili Arnsdorff, Chandler Asset Management
Scott Prickett, Chandler Asset Management
Scott Stitcher, Chandler Asset Management
Chris Blackwood, Chandler Asset Management
Nicole Dragoo, Chandler Asset Management
Stacey Alderson, Chandler Asset Management
Genny Lynkiewicz, Chandler Asset Management
Dan Delaney, Chandler Asset Management

A. BUSINESS ITEMS

1. Call to Order/ Roll Call

Linda Senne called to order the meeting of the Board of Directors for the Florida Surplus Asset Fund Trust for July 31, 2025. Nicole Larson Sydney called roll. Quorum requirements are met.

2. Participant and Guest Introductions

Linda asked for introductions via Zoom.

3. Public Comments

Linda asked if there were any public comments. Jeff Larson stated that there are no public comments online, present, or via Zoom.

4. Approval of Prior Board Meeting Minutes

Linda asked for a motion to approve the prior Board meeting minutes from April 24, 2025. Jerry Boop made a motion to approve, Christine Cajuste seconded. Approved 5-0.

B. Staff Reports

1. Investment Advisor/Operations Manager Update – Chandler

a. Economic and Market Update

Scott Prickett presented the Economic and Market update. He stated that the U.S. economy added 147,000 jobs in June, exceeding consensus expectations, and the last two months were revised up by 16,000. Gains were primarily driven by state and local government education, while job growth in service sectors languished. The three-month moving average and six-month moving average payrolls totaled 150,000 and 130,000, respectively. The unemployment rate declined to 4.1% in June from 4.2% in May, due to a shrinking labor force. The labor participation rate dipped to 62.3%, remaining below the pre pandemic level of 63.3%. The U-underemployment rate, which includes those who are marginally attached to the labor force and employed part time for economic reasons, dropped to 7.7% in June. Average hourly earnings fell slightly, marking a 3.7% year-over-year increase. In May, the Consumer Price Index (CPI) cooled slightly more than consensus expectations. The headline CPI increased 0.1% month-over month and rose 2.4% year-over-year, while the Core CPI rose 0.1% month-over-month and 2.8% year-over-year. The Personal Consumption Expenditures (PCE) price index increased 0.1% month-over-month and rose 2.3% year-over-year in May. The Core PCE deflator, which excludes food and energy and is the Fed's preferred gauge, increased 0.2% month-over-month and 2.7% year-over-year, up from April's 2.6% increase. Advance Retail

Sales were down 0.9% month-over-month in May, further lowering from a downwardly revised -0.1% in April. Declines were led by auto sales, building materials, garden equipment and supplies, and spending at restaurants and bars fell by the most since early 2023. Control group sales, which feed into GDP, were the only bright spot in the report, with a 0.4% increase. On a year-over-year basis, retail sales grew 3.3% in May following a 5.0% increase in April. The Conference Board's Consumer Confidence Index dropped to 93.0 in June from 98.4 in May, as consumers' assessment of both the current situation and future expectations for income and labor markets soured. While the consumer has been resilient, elevated inflation expectations, concerns about trade policies and tariffs, and general economic and policy uncertainty could pose potential risks to future spending.

Housing starts declined 9.8% month-over-month in May to a seasonally adjusted annual rate of 1.256 million units. Single family starts increased 0.4% above the revised April figures, where as multi-family starts fell -30.4%. Total starts dropped 4.6% compared to May 2024. Home builder confidence is shaky due to elevated mortgage rates, affordability constraints, and a weakening economic outlook. The Freddie Mac 30-year fixed rate mortgage averaged approximately 6.8% in June. According to the Case-Shiller 20-City Home Price Index, housing prices rose 3.4% year-over-year in April, compared to 4.1% in March. Limited inventory, elevated mortgage rates, and lack of affordability continue to weigh on the housing market.

Real GDP decreased at an annualized rate of 0.5% in the first quarter of 2025, according to the third and final estimate from the Bureau of Economic Analysis, a downward revision from the previously estimated 0.2% decline. This marks the first negative quarter since 2022. The primary driver of the downward revision was weaker personal consumption expenditures. Net exports remained the primary drag on growth, as imports rose sharply in anticipation of higher tariffs. Gross investment contributed positively, powered by business decisions, to get ahead of possible cost increases. The consensus projection calls for 2.1% growth for the second quarter and 1.5% for the full year 2025.

b. FL SAFE LGIP Portfolio Update

Genny Lynkiewicz presented the SNAV Portfolio update. She stated the net yield was 4.33% for the quarter. She reviewed the market and competition rates and stated that FL SAFE is outperforming the LGIP Index. Genny reviewed the current WAM versus their goal for the Fund long term extending the portfolio. She reviewed the holdings and compliance report.

Dan Delaney reviewed the VNAV Portfolio. He stated that the current market is very attractive for this Fund. Dan stated they have increased the duration and that less than 20% is invested in government securities. As rates have come down, the NAV has gone up.

c. Operations Manager Report

Chris Blackwood stated that the Term Series Program has effectively closed and they will focus on the Fixed Income Portfolio Program. He reviewed the Operations Manager Report. He reviewed the assets, expense ratios, SNAV and VNAV Funds, and Financial Statements. Stacey Alderson reviewed the Audit from last quarter, expenses, and the budget.

d. Marketing Update

Mel and Lili reviewed the marketing update for the last quarter. There was a 2% growth in the SNAV over the last quarter and a withdrawal from the VNAV. Lili reviewed marketing efforts and prospective client meetings. Mel reviewed the 2025 Marketing Plan. Chris presented new marketing materials and the ideas relating to renaming the Funds. The Board voted 5-0 to approve the changes to the new marketing material and Fund names, with a target date of October 1st.

f. Chandler Comments

Chandler had no additional comments.

2. Administrator Update – FMAS

a. Presentations, Conferences, FIIP Update, General Comments

Jeff Larson reviewed the presentations and meetings from the last quarter. Nicole and Jeff reviewed the upcoming Investment Seminars, FCCMA and FGFOA Annual Conferences. He reviewed the annual dinner from the FGFOA Conference that was well attended.

b. FMAS Comments

FMAS has no further comments.

C. Other Items

1. FL SAFE Counsel's Comments

David Rosen had no comments.

2. Participants Comments

There were no comments.

3. Advisory Council Member's Comments

No comments.

4. Board Member's Comments

Jerry Boop stated that he appreciated Chris Reeder's comments and input on the new material. Heather and Christine shared the same remarks. Linda stated that she is excited to see the progress and new materials.

D. Set Next Meeting Date/Adjournment

Setting the future dates for the next FL SAFE Board Meeting. Next FL SAFE Board Meeting will be held via Zoom on October 30th, 2025. Meeting adjourned.

Signature Page

APPROVED THIS 30th DAY OF OCTOBER 2025.

FLORIDA SURPLUS ASSET FUND TRUST

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Linda Senne, CPA
FL SAFE Chair

ATTEST:

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Jeffrey T. Larson
FL SAFE Administrator