

**FINANCE STANDING ADVISORY COMMITTEE**  
**September 19, 2022**  
**Minutes**

<b>MEMBERS</b>	<b>Present</b>	<b>OTHERS</b>	<b>Present</b>
Jeff Buxton	Zoom	J.B. Belknap, General Manager	X
David Brendsel	X	Lynn Brew, Controller	-
Tom Hards	Zoom	J. Schwarz, Finance Liaison	X
Mary Koenig, Alternate	X	Wendy Shea, Activities & Events Coord.	X
Paul Kutney, Alternate	X	Supervisor Howard Young	Zoom
Rita Lehman	X	Supervisor Peter Overs	X
Larry Pedersen, Vice Chair	Zoom	Supervisor MaryAnn Polvinen	X
Dennis Popp, Chair	Zoom	Supervisor Bill Kulkoski	Zoom

**I. CALL TO ORDER –**

Chair Popp called meeting to order at 10:00 a.m.

**II. WELCOME -**

Chair Popp welcomed all those in attendance including our presenters and those on Zoom. Chair Popp thanked David Brendsel for his hard work on his research and in coordinating with the companies to come and make a presentation to the committee. Chair Popp also thanked Lynn Brew for the recommendation of FL Safe, one of the presenters today. Chair Popp turned the meeting over to David Brendsel to introduce the first speaker.

**III. INTRODUCTION OF SPEAKER**

David Brendsel introduced Zach Falconer, PMA Financial Network to make his presentation on Florida Surplus Asset Fund Trust (FL Safe).

**IV. FL SAFE (PMA) PRESENTATION**

Zach Falconer, Senior Client Relationship Representative, gave an overview of FL Safe (PMA) background. PMA has been serving the public sector in 14 states for over 35 years has over 150 employees and \$32 billion in Assets under Administration with \$18.6b in investment advisory assets. Their main office is in Illinois and the company has a Florida office in Orlando, Zach Falconer then made his presentation. (See attached presentation). The first thing PMA will do is perform a Cash Flow Analysis of the district. PMA's investment strategy will come from the cash flow analysis in that they offer short-term, intermediate term and long-term investment strategies. PMA adheres to the investment policy tenets of Safety, Liquidity and Yield. They are compliant with FL State Statutes, rated AAAM by Standard & Poor's and maintains high credit standards. Day-to-day account services are handled from Naperville IL.

Chair Popp asked if PMA has any local clients. Zach Falconer stated that they have the City of Venice, Cape Coral, City of Fort Myers, and numerous Fire Districts. Mary Koenig asked what sets PMA apart from other investment companies. Zach stated that PMA works almost exclusively with public funds, has local fixed income securities and they can ramp up or ramp down at any time. Tom Hards asked about the PMA online services and the nature of the transactions that occur online. Zack stated that the online platform allows clients to wire monies to other accounts, add funds to accounts. He stated that some clients use the portal and others prefer to speak to their account rep. He said that no trading is done online, and forms need to be signed to transfer monies. There are no minimums for the liquid fund accounts.

Chair Popp thanked Zach Falconer for attending the meeting.

**V. FL State Board of Administration PRIME PRESENTATION**

David Brendsel informed the committee that Mike McCauley from the SBA Prime let David know last Friday that no one from the SBA would be able to come to today's meeting to make a

presentation. FL SBA Prime is an investment service for public funds. Florida PRIME is a government investment pool that offers investors experienced, government-level liquidity management, conservative investment policies, an extensive governance framework, a Standard & Poor's "AAAm" rating, SBA Prime currently has over 700 participants in FL. Currently, the SBA has a relationship with the Bank of America and are in the process of rebidding. David was disappointed that Mike McCauley was so aloof. David stated the SBA Prime has \$18.7 billion in securities in the pool, has 30-day average yield for August of 2.34 and participant yield of 2.26. All three companies – SBA Prime, PMA (FL Safe) and FL Class offer online transfers. FL Safe and FL Class are intergovernmental investment pools, and FL SBA Prime is a Local Government Surplus Funds Trust Fund.

## **VI. BREAK FOR LUNCH**

The meeting temporarily adjourned at 11:25 a.m. for lunch and will reconvene at 1:00 p.m.

## **VII. FL CLASS PRESENTATION**

David Brendsel introduced Rod Bettini from FL Class. Rod Bettini stated the purpose of FL Class is to provide Florida governmental entities with a convenient, short-term investment opportunity carefully selected to optimize interest earnings while maximizing safety and liquidity. (See attached Presentation) Rod stated that FL Class has the largest intergovernmental investment pool with 150 participants with approximately \$ 6 billion in assets in the FL CLASS pool. Currently, they have a competitive return as of 9/9/22 of 2.4%. FL Class offers competitive daily yields, interest compounds and pays daily, same-day liquidity, professionally managed portfolio, effortless distributions to other public entities and direct deposit of state payments.

David Brendsel asked if FL Class offers a cash flow analysis for the district. Rod stated that it was not a standard feature but if the district would engage with FL Class that they would do a cash flow analysis at no charge. Mary Koenig asked how FL Class sets themselves apart from other competitors. Rod stated that performance varies but the use of their portal, their service and the access given, daily interest payment and a level of stability that allows them to absorb market risk. They also allow sub-accounts for reporting convenience.

Jeff Buxton asked if there were any minimum or maximum for balances or fees. FL Class offers unlimited transactions with no limit on transactions and no transaction fees. Larry Pedersen asked how long a cash flow analysis would take. Rod stated that it could take from 1 to 3 months but is dependent on the collection of information from the District to FL Class.

Rod Bettini concluded his presentation at 2:00 p.m. and was thanked by Chair Popp for his participation.

## **VIII. COMMITTEE DISCUSSION AND RECOMMENDATION**

Chair Popp asked for all committee members reactions to the two presentations and if a recommendation should be made to the Board of Supervisors.

Mary Koenig thought FL Class presentation was best for the current situation although she feels the absolute need for a good cash flow analysis. She suggested getting the ball rolling with FL Class which offers better liquidity than PMA.

Chair Popp does not think that the District needs to just have short-term investment. The District need to have the long-term investments and therefore must review the Bond covenants to see if the district is able to invest any or all the funds. Chair Popp and David Brendsel will review the covenants when both are in Herons Glen.

Tom Hards likes the FL Class presentation and stated that the district needs to hire a firm to help us utilize the funds that we have both short term and long term (if covenants allow).

David Brendsel said that he would choose either FL Class or Florida Safe or both but feels that FL Class is a stronger local presence player. He also added that he feels a cash flow analysis is vital and must be done and provide help to Lynn Brew to get the analysis done.

Jeff Buxton didn't like FL Class representative dancing around possible long-term maturity timelines. He felt we should use both companies by using FL Class for liquidity and FL Safe for long-term.

Larry Pedersen felt that FL Safe offered the best flexibility of the two companies.

After discussion, Tom Hards made a motion to recommend to the Board of Supervisors to request from FL Class a letter of engagement within two weeks. David Brendsel seconded the motion.

Discussion ensued whereby Larry Pedersen suggested that the motion should ask for a letter of engagement from both FL Class and FL Safe.

After discussion, a vote was taken on the original motion by Tom Hards and the motion passed with a vote of 4 to 2.

**IX. NEXT MEETING – Monday, November 7, 2022 – 9:00 a.m. – Card Room C/Zoom**

**X. ADJOURNMENT** – Chair Popp adjourned the meeting at 2:30 p.m.

**Approved:**

Dennis Popp  
Chair, Finance Standing Advisory Committee  
September 26, 2022