

**MINUTES OF MEETING
BOARD OF COUNTY COMMISSIONERS
ST. JOHNS COUNTY, FLORIDA
DECEMBER 11, 2018
1:00 P.M.**

Proceedings of a special meeting of the Board of County Commissioners of St. Johns County, Florida, held in the Muscovy Conference Room at the Health and Human Services Building, 200 San Sebastian View, St. Augustine, Florida.

Proof of publication of the notice of a special meeting to hold an investment workshop was received, having been published in *The St. Augustine Record* on December 7, 2018.

Present: Paul M. Waldron, District 3, Chair
Jeb S. Smith, District 2, Vice Chair
James K. Johns, District 1
Henry Dean, District 5
Jeremiah R. Blocker, District 4
Michael Wanchick, County Administrator
Patrick McCormack, County Attorney
Crystal Smith, Clerk

Also present: Hunter S. Conrad, Clerk of Court and Comptroller; Joy Andrews, Assistant County Administrator; Darrell Locklear, Assistant County Administrator; Wade Schroeder, Assistant Director of Office of Management and Budget; Allen MacDonald, Chief Financial Officer; and Sindy Wiseman, Deputy Clerk

(12/11/18 - 1 - 1:05 p.m.)
CALL TO ORDER

Jesse Dunn, Director of Office of Management and Budget, opened the meeting.

(12/11/18 - 1 - 1:05 p.m.)
ROLL CALL

A formal roll call was not taken; however, all Board members were present.

(12/11/18 - 1 - 1:06 p.m.)
PLEDGE OF ALLEGIANCE

Waldron led the Pledge of Allegiance.

(12/11/18 - 1 - 1:07 p.m.)
INVOCATION

Smith gave the invocation.

(12/11/18 - 1 - 1:08 p.m.)
DELETIONS TO SPECIAL AGENDA

There were none.

(12/11/18 - 1 - 1:08 p.m.)
APPROVAL OF SPECIAL MEETING AGENDA

(1:08 p.m.) **Motion by Dean, seconded by Waldron, carried 5/0, to approve the special meeting agenda, as submitted.**

(12/11/18 - 2 - 1:08 p.m.)

1. PRESENTATION BY PUBLIC FINANCIAL MANAGEMENT, INC. THE COUNTY'S INVESTMENT ADVISOR, PFM, WILL PROVIDE AN INVESTMENT PERFORMANCE REVIEW OF BOTH COUNTY INVESTMENT PROGRAMS: 1.) FINANCIAL ASSETS OF THE COMMISSION (KNOWN AS SURPLUS FUNDS) AND 2.) OPEB TRUST FUND. THE FOCUS OF THE WORKSHOP IS TO PROVIDE THE COMMISSION WITH AN OVERVIEW OF THE COUNTY'S INVESTMENT POLICY AND TO UNDERSTAND THE INVESTMENT RETURNS FOR THE QUARTER-ENDING SEPTEMBER 30, 2018

Jesse Dunn, Director of the Office of Management and Budget, explained that during the FY2019 budget process, the Board requested an annual review of its investments. He suggested that PFM give the Board updates on a quarterly basis and discussed the possibility of an investment committee.

(1:12 p.m.) Steven Alexander, Managing Director of Public Financial Management (PFM), introduced himself and his colleagues, Khalid Yasin, Director of Public Financial Management, and Jason C. Human, Client Manager of Public Financial Management. He presented an overview of the workshop discussion; including details of the investment policies, state statutes and how the public funds were managed. He provided handouts regarding the discussion, *Exhibit A*.

(1:47 p.m.) In response to questions, Alexander explained that OPEB (Other Post Employment Benefits) funds were in a separate portfolio than surplus funds; MacDonald elaborated and discussion ensued on portfolios, reserve funds, carry forwards, par values, the estimated OPEB Trust Fund amount, and how PFM was compensated.

(2:13 p.m.) Khalid Yasin, Director, Public Financial Management, spoke on the benefits of the County prefunding its OPEB liability, the OPEB investment policy, and reviewed the performance of the OPEB Trust Fund, via handout.

(2:28 p.m.) Alexander reviewed the County's contributions to the OPEB Trust Fund and the investment portfolio. Discussion ensued on international equities being negative, but that both funds were still performing well over the established benchmarks.

(2:34 p.m.) Hunter Conrad, Clerk of Court, noted that MacDonald sought PFM's advice on where to invest the funds that he managed. MacDonald explained the Clerk was responsible, under the PFM contract, for the surplus funds. The OPEB contract was separate from the surplus funds contact, and was between the Board and PFM.

(2:36 p.m.) Waldron questioned who the third-party custodian was: Alexander responded that US Bank was the custodian. MacDonald explained that US Bank was the holding facility for the County's investments and that PFM and US Bank were selected through the RFP process.

(12/11/18 - 2 - 2:40 p.m.)

ADJOURN

With there being no further business to come before the Board, the meeting adjourned at 2:40 p.m.

Approved March 5, 2019

BOARD OF COUNTY COMMISSIONERS
OF ST. JOHNS COUNTY, FLORIDA

By: Paul M. Waldron
Paul M. Waldron, Chair

ATTEST: HUNTER S. CONRAD, CLERK

By: Pam Hatterman
Deputy Clerk

