Chairperson Dwight Mattingly called the meeting to order at 9:34 A.M. in the Dale R. Smith Conference Room at the Palm Tran North Facility, 3201 Electronics Way, West Palm Beach, Florida.

**TRUSTEES**

Dwight Mattingly  
Frank Stanzione  
Nancy Bolton  
Liz Bloeser

**OTHERS PRESENT**

Bonni Jensen, Law Office of Perry & Jensen  
Frank Wan, Burgess Chambers & Associates  
Robert Sugarman, Sugarman & Susskind  
Nick Schiess, Pension Resource Center  
John Murphy, Palm Tran  
Andrew Goldsmith, Tortoise Capital Advisors  
Stephanie Geller, Miller Howard Investments

**APPROVAL OF THE AGENDA**

The Trustees reviewed the agenda for the meeting. A motion was made by Liz Bloeser to approve the agenda. The motion was seconded and passed 4-0.

**INVESTMENT MANAGER PRESENTATIONS: MASTER LIMITED PARTNERSHIPS**

Frank Wan discussed master limited partnerships as a potential new investment product. He discussed the recent technological developments that have dramatically improved the recovery of domestic oil and natural gas. Mr. Wan explained that this increased recovery has resulted in an investment opportunity for holdings of those firms who provide the shipping infrastructure from the production fields to the refineries. And these holdings receive transportation revenues that have tax advantages granted under federal energy policy.

**TORTOISE CAPITAL ADVISORS**

Andrew Goldsmith appeared before the Board on behalf of Tortoise Capital Advisors to provide a proposal for investment management services for master limited partnerships. Mr. Goldsmith discussed his firm’s qualifications and experience, noting that the firm specialized only the management of investment portfolios comprised of publicly traded equities of natural gas infrastructure firms. He provided a detailed explanation of natural gas production and transportation, noting that increased production and demand has led to increased revenues directly from the transportation pipelines. Mr. Goldsmith reviewed the long-term investment returns from this niche industry, market and economic factors and anticipated a 5.5% yield from the transportation revenue plus any appreciation of the market price of the equities.
MILLER HOWARD INVESTMENTS

Stephanie Geller appeared before the Board on behalf of Miller Howard Investments to provide a proposal for investment management services for master limited partnerships. Ms. Geller discussed her firm’s qualifications and experience, noting that the firm has specialized in the management of investment portfolios comprised of publicly traded equities of natural gas infrastructure firms for over fifteen years. Ms. Geller reviewed the firm’s investment strategy and energy infrastructure market in great detail.

Mr. Wan discussed the presentations by Tortoise Capital Advisors and Miller Howard Investments. He discussed the differences between the two firms and their respective investment strategies, fee structure, investment returns and qualifications. He suggested the engagement of both managers initially with equal allocations since they both had different investment strategies.

Mr. Wan discussed economic and market conditions, noting that achieving the assumed rate of return would become increasingly difficult with the anticipated low expected rate of return on bonds and therefore alternative investment products should be considered to improve the overall performance of the investment program. Additionally, the addition of this alternative investment should increase diversification and lower risk and volatility of the total investment portfolio. A discussion arose regarding the potential allocation and Mr. Wan recommended a 5% allocation with a corresponding reduction in the fixed income allocation. Mr. Wan was questioned regarding the reasoning behind detracting from fixed income instead of equities and he responded that proposed investment product would generate income with an anticipated yield of 6% annually, which was more similar to fixed income than equities.

A lengthy discussion arose regarding the structure of master limited partnerships. It was noted that the holdings were of publicly traded companies so therefore the liquidity was excellent. And it was the partnership structure itself that allowed the transportation earnings to be considered federally tax exempt before distribution back to investors. Another discussion ensued regarding whether the income generated from these holdings would subject the Plan to an unrelated business income tax. It was noted that the Plan might also encounter additional costs to file K-1 tax forms received from each individual holding within the portfolio with the average portfolio size of twenty five holdings.

The Board directed the Plan Administrator to research the potential additional costs for the Plan’s Auditor to file any additional K-1 tax forms received. Bonni Jensen recommended obtaining an opinion letter from a tax attorney whether the Plan would potentially be subject to an undisclosed business income tax. After further discussion, Liz Bloeser made a motion to authorize the engagement of a tax attorney to prepare a determination letter whether the Plan would be subject to unrelated business income tax on master limited partnerships with the fees for the preparation of the letter capped at $10K. The motion was seconded and passed 4-0. Frank Wan agreed
to provide a revised Investment Policy Statement to include this proposed allocation and provide it to the Board at the next meeting for consideration.

UPDATE ON APPLICATION FOR TAX DETERMINATION LETTER

Robert Sugarman provided the Board with an update on the request for a favorable tax determination letter from the Internal Revenue Service. He reported that the final approval was contingent upon required revisions to the Plan document and submission of closing documents along with a $3,500 processing fee. Liz Bloeser made a motion to approve the $3,500 processing fee and execution of closing documents. The motion was seconded and passed 4-0.

SCHEDULE NEXT MEETING

The next meeting was scheduled for May 23, 2013.

ADJOURNMENT

The meeting was adjourned at 11:43 A.M.

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Secretary