On **TUESDAY, APRIL 16, 2024**, the **AD HOC COMMITTEE FOR REQUEST FOR PROPOSALS 24-107 INVESTMENT ADVISORY SERVICES** met in the Carl T. Langford Board Room of the Aviation Authority offices in the main terminal building at the Orlando International Airport, One Jeff Fuqua Boulevard, Orlando, Florida. The meeting, having been posted in accordance with Florida Statutes, was called to order at 10:03 a.m.

Committee Members Present:	Kathleen M. Sharman, Chief Financial Officer, Chair Tianna Dumond, Senior Vice President, Internal Audit Brad Friel, Senior Vice President, Planning and Environmental
Also present:	Kelly Loll, Vice President, Purchasing and Procurement Services Olimpia Lonsdale, Assistant Vice President, Procurement Services Racha El Khalil, Assistant Manager of Contract Administration and Reporting, Procurement Services Mickey Joseph, Senior Manager, Debt and Investments David Harris, Senior Manager of O&M Procurements Jill Overstreet, Manager, Risk Management William Case, PFM Financial Advisors Doug Starcher, Legal Counsel, Nelson Mullins Riley & Scarborough Kasie Berube, Recording Secretary

Chair Sharman read the following statement: For individuals who conduct lobbying activities with Aviation Authority employees or Board members, registration with the Aviation Authority is required each year prior to conducting any lobbying activities. A statement of expenditures incurred in connection with those lobbying instances should also be filed prior to April 1 of each year for the preceding year. Lobbying any Aviation Authority Staff who are members of any committee responsible for ranking Proposals, Letters of Interest, Statements of Qualifications or Bids and thereafter forwarding those recommendations to the Board and/or Board Members is prohibited from the time that a Request for Proposals, Request for Letters of Interests, Request for Qualifications or Request for Bids is released to the time that the Board makes an award. The policy, forms, and instructions are available on the Aviation Authority's web site. Please contact the Chief Administrative Officer with questions at (407) 825-7105.

If a bidder or proposer is aggrieved by any of the proceedings of today's meeting and wishes to appeal the results of actions made by this Committee, they must file an appeal stating the item they wish to appeal and the basis for which they wish to appeal. Any appeal must be received in writing by the Chief Executive Officer, Mr. Kevin J. Thibault, via email kevin.thibault@goaa.org with copy to yovannie.rodriguez@goaa.org by 4:00 p.m., April 23rd, 2024.

Any member of the public who wishes to address the committee on an agenda item being considered at this meeting must notify the committee in writing by submitting a completed Appearance Request Form. This form may be requested from the Recording Secretary.

All Ad Hoc Committee (Committee) members confirmed there were no conflicts of interest related to the evaluation of proposals regarding 24-107 Investment Advisory Services (RFP).

<u>CONSIDERATION OF PROPOSALS RECEIVED</u>

Prior to the presentation of Staff Reports, Chair Sharman turned to Doug Starcher, Legal Counsel, for opening statements regarding the responses.

Mr. Starcher stated that the proposals will be evaluated on a score sheet basis with the mandatory scoring that was set forth in the RFP, totaling one hundred points and broken down into various categories. The raw information of each category will be presented by staff and the Committee will decide to score each of the proposers in each category with scoring being based on each committee member's perspective as to what is most advantageous to the Aviation Authority. Mr. Starcher closed his remarks with noting there are no rules to the scoring other than deciding which proposer responded the best in each category and once all scores have been agreed upon, that will drive the determined recommendation to the Finance Committee.

Chair Sharman turned to Mr. David Harris for review of general information and response forms. Mr. Harris opened the review sharing the purpose of RFP 24-107 stating it is to identify Investment Advisory firms that are qualified to serve as investment advisors to the Aviation Authority and shall perform the services required by the Aviation Authority for its portfolios. The intent is to enter a 5-year contract with the initial service to commence on or about October1, 2024. In alphabetical order, Mr. Harris recited the following three firms who submitted a response:

1. Chandler Asset Management, Inc. (Chandler)
2. Meeder Public Funds, Inc. (Meeder)
3. Public Trust Advisors, LLC (Public Trust)

Mr. Harris went on to discuss the Scope of Services for the agreement that was described in Section 2.1 of the RFP document stating that the Investment Advisor shall perform the investment advisory services required by the Authority for its Portfolios. The Investment Advisor shall be registered with the Securities and Exchange Commission (SEC) under the Investment Advisor's Act of 1940 and will act in a fiduciary capacity. The Investment Advisor shall manage the funds in accordance with the laws of the State of Florida and the Investment Policy 470.01 established by the Aviation Authority. The Investment Advisor will not provide custodial, or security safekeeping and all trades will settle to accounts established in the Aviation Authority's name with the Safekeeping Agent or Trustee serving the Aviation Authority. The firm selected and its affiliates will be restricted from selling to the Aviation Authority or buying from the Aviation Authority any securities to or from that firm's own inventory account. Continuing, Mr. Harris reviewed the Minimum Requirements as noted in Section 3.1 of the RFP were reviewed for all three respondents stating:

- All respondents are registered and qualified to do business in the state of Florida as defined in Section 3.1a of the RFP.

- Respondent must certify in writing with its Response that Respondent is registered with the Securities and Exchange Commission (SEC) under the Investment Advisor's Act of 1940 and must provide the most recently submitted Form ADV Parts 1 and 2 with its Response.

- Respondent shall provide an affirmative statement that Respondent will adhere to the Code of Professional and Ethical Standards as described by the CFA Institute.

- Respondent shall have a minimum of 5-years' experience providing services of the type described in Section 2.0 Scope of Services and shall provide an affirmative statement and/or documentary proof of such experience with the Response submission.

- Respondent shall currently have an aggregate total of at least $5 billion in assets under management, servicing at least three public entities each having a minimum of at least $1 billion in assets and shall provide an affirmative statement of such management relationships, including the names of the three qualifying public entities currently being serviced.

- Respondent shall affirm their willingness to execute an agreement substantially in the form attached hereto as Exhibit 1 – Form of Professional Services Agreement.

Mr. Harris went on to state as described in Section 4.1 Preparing Responses that:

- All respondents completed all submission requirements as described under Tab 1- Table of Contents and Tab 2 General Company Information.

- All Respondents provided a minimum of three references. Procurement Staff sent requests to all proposed references and all respondents reference verification was completed and feedback received either Exceeds or Meets the Requirements of the contract.

- All required forms were received and verified by Procurement Staff.

- Meeder Public Funds, Inc. did not provide a Certificate of Insurance as requested under Tab 6- Additional Requirements of the Response.

- Meeder Public Funds, Inc. provided an affirmative Statement evidencing willingness to execute an agreement substantially in the form provided. Meeder requested their non-discretionary Terms of Service be included as an exhibit in the agreement.

To conclude the Procurement summary, Mr. Harris discussed the Schedule of Fees, per Section 4.1 Tab 7 being each Respondent must provide a percentage fee in the provided table for services as specified in the Scope of Services (as described in Section 2.2) and based on the Greater Orlando Aviation Authority Investment Policy 470.01 (Exhibit 2) and Summary of Funds and Listing of Investment Holdings (Exhibit 5), which is inclusive for labor, taxes, insurance, travel, materials, and overhead cost, etc. for providing Investment Advisory Services.

Chair Sharman posed a question regarding all respondents signing the Affirmative Statement, including Meeder, however Meeder had some qualification. Mr. Harris confirmed and clarified that Meeder added that they had their own set of Terms and Conditions that they would like to be included in the Aviation Authority's terms as an Exhibit. Legal Counsel, Mr. Starcher added that this is a minimum requirement and that Meeder did make the Affirmative Statement that was requested to satisfy the minimum requirement. Meeder qualified the statement in a seemingly discretionary (to GOAA) manner but also a non-discretionary manner due to the wording of their requests. Another complication brought forward by Mr. Starcher was that Meeder did not attach the Terms of Service to their proposal leading Mr. Starcher to suggest that instead of disqualifying Meeder, the uncertainties, ambiguity and potential non-compliance can be considered and appropriately scored during the scoring of the Additional Requirements category of the RFP.

A concurrence was made among the Committee Members to move forward as suggested by Mr. Starcher.

Chair Sharman turned to Ms. Jill Overstreet for further information she would like to add in respect to the insurance. Ms. Overstreet responded stating that Meeder did not provide a Certificate of Insurance or a statement affirming the acknowledgement of the minimum requirement, however, both Chandler Asset Management, Inc. and Public Trust Advisors, LLC provided sufficient evidence of insurance. Ms. Chair confirmed with Ms. Overstreet that if Meeder were to be considered, this is not a disqualifier as the Aviation Authority would have to obtain that information. Ms. Overstreet agreed with Chair Sharman's statement. Mr. Starcher added that typically when a contract is awarded, that firm is made aware of the insurance that is required to obtain said contract and must simply have that insurance in place at the time of contract start.

With no further distinguishing factors or questions from the Committee, Mr. Mickey Joseph was asked to review the Experience and Qualifications, Knowledge and Experience of Key Individuals and Team, and Approach and Methodology sections of the RFP.

Mr. Joseph began with Chandler Asset Management, Inc. stating that Chandler referenced multiple transportation authority clients to illustrate the firm's ability to perform the requirements of this contract, many of which are located in California. Two of these clients are airport authorities – the City & County of Denver (Airport Reserves) and the San Diego County Regional Aviation Authority. They provided additional municipal clients outside of transportation authorities which included ten Florida municipalities. Chandler referenced three performance benchmarks against which their historical performance was measured: ICE Bank of America 0-3 Year Treasury Index, ICE Bank of America 1-3 Year US Treasury Index, and the ICE Bank of America 1-5 Year US Treasury & Agency Index. During the 1-, 3-, and 5-year historical performance periods as of December 31, 2023, Chandler's performance was higher than the benchmarks, in some cases up to over half a percent higher. They noted that there were periods of market volatility during these time periods, helping to demonstrate a consistent history of protecting clients' principal through various market conditions. Mr. Joseph noted that Chandler had 682 clients using investment strategies like those outlined in the Aviation Authority's RFP and that the firm provided detailed case studies for Transportation Corridor Agencies in California, Denver Airport, and San Diego Airport with services including revising investment policies, periodic reporting and calls, rating agency contact, and managing portfolios.

Beginning with Mel Hamilton, Mr. Joseph stated Mr. Hamilton brings 33 years of Institutional Investment Experience in Florida, Mr. Hamilton will be the lead individual for daily service needs. The Aviation Authority staff will work with Julie Hughes, Senior Portfolio Strategist, and Dan Delaney, CFA, Senior Portfolio Manager. Mr. Joseph shared that Ms. Hughes has 31-years in the industry and 10-years with the firm and Mr. Delaney has 20-years in the industry and 3-years with the firm. Mr. Jospeh stated that Julie and Dan have managed funds for public agencies in Florida for over 15-years and each manage approximately 35 accounts. Mr. Joseph continued to say that Chandler's investment approach focuses on duration, term structure, sector, and security selection. The firm has an Investment Management Committee and multiple sub-commitments for effective analysis, decision-making, and communication. Chandler uses proprietary tools such as a Horizon Analysis Model as the quantitative foundation for constructing a portfolio.

Mr. Jospeh also highlighted that the firm's Investment philosophy focuses on safety of principal, appropriate levels of liquidity, diversification of risk, compliance, and active management to generate investment income and total return. If the treasury yield curve returns to its more normal upwardly sloping shape in the near-term Chandler recommends shifting to more bulleted term structures to diversify maturities along the curve. The firm's due diligence process utilizes an in-house, proprietary credit research process with the objective of identifying stable and improving credits. The Credit Committee, with input from the entire investment team, further vets the suitability of an investment based on our own internal research and a thorough understanding of each client's investment objectives and risk tolerances. Chandler's recommendation for the Aviation Authority's Investment Policy include language to address the fact that many local government investment pools (LGIPs) may have up to 50% in LGIP assets invested in CP; limit callable agency securities to a maximum of 20% of the portfolio; and constrain average portfolio duration to a band of plus or minus of the benchmark index selected by the Chief Financial Officer.

With no questions from the Committee, Mr. Joseph continued with the review of Meeder Public Funds, Inc. stating they referenced their work with Kenton County Airport Authority (Cincinnati Airport), a non-discretionary investment management engagement and the firm referenced performance benchmarks against which their historical performance was measured 0-5 Year ICE Bank of America US Treasury Index. During the 1-, 3-, and 5-year historical performance periods as of December 31, 2022, Meeder's performance was lower than the benchmark, with many in the negative. Mr. Joseph went on to say the firm has served state and local governments for over 30-years focusing on client goals and a consistent approach to managing client assets and currently works with more than 100 clients on a non-discretionary basis. Meeder provided case studies for the City of Cincinnati, Columbus Airport, and Tucson Airport with services including review and modification of investment guidelines, investment management, cash flow analysis, and reporting.

Beginning with Eileen Stanic, a Certified Treasury Professional with over 30-years of investment management experience, Mr. Joseph stated Ms. Stanic will be the lead individual for daily service needs. Other members of the engagement team include Gabriel Phillips, with over 2-years of financial services experience and with Meeder since 2014; Jason Headings, Chartered Market Technician, with over 18-years of financial services experience and with Meeder since 2006; Jason Szabo, Charter Financial Analyst, with over 9-years of financial services experience and with Meeder since 2015; and Jacob Billhartz, Charter Financial Analyst, with over 9-years of financial services experience and with Meeder since 2019.

Moving on to Approach and Methodology, Meeder's approach focuses on risk of duration, liquidity, credit, reinvestment and concentration, compliance monitoring. Their philosophy focuses on portfolio management, core strategy, strategic process, and right-sizing. Mr. Joseph sated that the firm's Investment philosophy focuses on safety of principal, appropriate levels of liquidity, diversification of risk, compliance, and active management to generate investment income and total return and in the event that the treasury yield curve returns to its more normal upwardly sloping shape in the near term, Meeder recommends a slight duration overweight and taking advantage of commercial paper spreads over treasuries and agencies. Meeder's due diligence focuses on answering the questions of where to invest, what investments to purchase, and how to source. Their investment team looks for opportunities to actively manage investment portfolios, whether that be to alter the asset allocation, duration, or yield-enhancing trades. Meeder's recommendation for the Aviation Authority's Investment Policy include modifying the per issuer max to 5% on commercial, corporate, and paper and to follow GFOA Best Practice to identify appropriate benchmarks for each portfolio.

Moving on to Public Trust Advisors, LLC, Mr. Joseph began with stating the firm actively manages the Aviation Authority's Investment Program with the objectives of safety, liquidity, yield, compliance, and transparency. The firm has referenced benchmarks against which their historical performance was measured being ICE Bank of America 1-3 Year US Treasury Index, and the ICE Bank of America 1-5 Year US Treasury Index. During the 1-, 3-, and 5-year historical performance periods as of December 31, 2023, Public Trust performance was higher than the benchmarks, in some cases up to 0.20% higher. They noted that there were periods of market volatility during these time periods, helping to demonstrate a consistent history of protecting clients' principal through various market conditions. Mr. Joseph also spoke of the fact that the firm works with more than 50 Florida public sector clients including special districts, cities, counties, hospitals and healthcare districts, K-12 and higher education, airport authorities, and water management districts. Public Trust has implemented and successfully managed clients' investment programs during virtually every recent interest and economic environment including the Zero Interest Rate Policy from 2008 - 2015, the rising interest rate environment from 2015 -2018, the declining rates and return to a Zero Interest Rate Policy from March 2020 through March 2022 because of the COVID-19 Pandemic global lockdowns. The firm provided a case study on Miami Beach with services provided including portfolio management, monthly investment reporting, monthly investment, and economic calls as well as their in-house research and modeling capabilities which included Bloomberg's PORT and proprietary excel models.

Mr. Joseph proceeded to speak on the key individuals of the firm. Beginning with John Grady, who has 26-years in the industry and 11-years with the firm, together with Tom Tight, with 28-years in the industry and 12-years with the firm, will be the lead individuals for daily service needs. Other members of the engagement team include Rodrigo Bettini, with 15-years in the industry and 4-years with the firm; Cory Gebel, Charter Financial Analyst, with 25-years in the industry and 6 years with the firm; and Sean Fitzgerald, with 7-years in the industry and 7-years with the firm.

Regarding the firm's approach and methodology, Mr. Joseph stated they consider the various types of risk associated with any fixed income investment portfolio and then actively manage those risks as part of their investment strategy with risks such as credit risk, market risk (interest rate risk), reinvestment risk, high quality permitted investments, liquidity management, and historical performance. The firm's systems allow the modeling of both portfolio and benchmark performance under a range of potential future interest rate scenarios. Public Trust investment philosophy is built on safety, liquidity, compliance, transparency, and yield; providing a GOAA-specific strategy of in-depth review of the investment program, cashflow and investment policy review, investment strategy collaboration and development, trades and compliance review, and a comprehensive review. In the event that the treasury yield curve returns to its more normal upwardly sloping shape in the near-term, the firm does not recommend chasing yield and deviating from longer-term Core Strategy but recommends duration management and not veer too far from the Core Strategy. The firm's due diligence involves a collaboration between members of the Firm's Portfolio Management and Credit Research Teams and combines the top-down analysis of current and anticipated macroeconomic conditions with the bottom-up analysis of issuer and issue specific fundamentals. The process is rooted in risk management and is actively calibrated to rotate portfolio holdings to those segments of the yield curve, asset classes and issuers offering superior relative value and opportunities for comparatively stronger risk-adjusted returns. Mr. Joseph closed review of Public Trust with their recommendation to the Aviation Authority's Investment Policy which is to include language confirming the primary investment decision is based on "pecuniary factors" as described in the FL Statues. Additionally, to change the corporate note per issuer limit to a max of 3%-5%, remove the $5 million limit, and change the agency MBS limit from 40% to 25% to align with max allocation permitted in this asset class.

Following Mr. Joseph's review of the firms, Mr. Friel commented regarding the treasury yield curves noting that Public Trust does not recommend chasing yields, whereas Meeder Public Funds indicates chasing yields as part of their strategy leading to pose the question of how does either encouraging or not encouraging chasing yields as a philosophy resonate with the Aviation Authority? Chair Sharman answered Mr. Friel's question by sharing the Aviation Authority's investment philosophy, as it is relevant to consideration of selecting the firms. Chair Sharman stated that preservation of principal is paramount as the Aviation Authority is a public fiduciary responsible for the management of large amounts of money, it is the focus of the Aviation Authority to not only preserve the principal and obtain yield, but safety and liquidity being of utmost importance.

Mr. Friel posed another question regarding the experience and qualifications of the firms in respect to risk versus reward as some firms were performing above the benchmark looking to understand that risk component. Chair Sharman turned to Mr. Bill Case to weigh-in on the matter. Mr. Case stated that if the firms have a conservative philosophy of reacting to market conditions yet not affecting the duration of timely investments and are able to perform above their benchmarks it is viewed as a positive, not so much taking a risk.

Ms. Dumond followed with a few questions regarding Meeder with respect to their approach and methodology as their recommendation was to modify the per issuer maximum to 5% per issuer when the Aviation Authority has the limitation of $5 million to mitigate risk leading to the belief of not being as conservative as the Aviation Authority would need them to be in accordance with the investment philosophy of the Aviation Authority. Ms. Dumond's second question was regarding Meeder's ADV Forms, as the firm was required to provide the most recent and provided a form from 2022.

With no further comments from the committee, legal counsel, or requests from the public, the Committee then moved to scoring and deliberation.

Before scoring ensued, Ms. Dumond asked staff if there were any that stood out from each firm as far as a repertoire of tools that would be available to them or their proprietary software and what they are using in-house in terms of any outliers or things that would benefit the Aviation Authority. Mr. Joseph addressed the posed question stating that all respondents provided sample reports that were more than satisfactory addressing all the relevant information that Mr. Joseph typically uses on a day-to-day basis and saw no concerns with the formatting of the reports or any of the information contained within the usefulness of the reports presented. The last question was posed by Chair Sharman to Mr. Case as to if there were any delineators found with respect to the three firms. Mr. Case shared that one of his observations of Meeder is that they are predominantly in Ohio and when the firms were asked to provide examples of similar types of profiles as the Aviation Authority, Chandler and Public Trust provided specific clients on how they managed their programs where as Meeder was high-level in what they would do but not a specific example. Mr. Case noted that Public Trust has over 100 agencies in Florida as well as Chandler having Florida experience as well.

The first category the Committee scored was Experience, Qualifications, Knowledge of Respondents and Key Individuals on the Team. The maximum number of points for this tab was 40. Ms. Dumond began by noting that Meeder's performance and response stand out below the other two respondents for the previously discussed reasons. Mr. Friel agreed with Ms. Dumond's statement stating that Chandler and Public Trust both displayed, through their proposals and information provided, a very strong and qualified team. Mr. Friel stated that Meeder, as noted, does not have experience of doing business in Florida. Discussion ensued and the following scores were consented:

1: Chandler Asset Management, Inc. - 38 points
2: Public Trust Advisors, LLC - 38 points
3: Meeder Public Funds, Inc. - 30 points

The Committee proceeded to score the next category of Approach and Methodology with the maximum number of points being 30. Ms. Dumond began with noting that Meeder's RFP was more about approach than their overall philosophy as well as not being as explanatory from a philosophical perspective leading to being a differentiator between the responses of Public Trust and Chandler, standing out as a bit lower. Ms. Dumond also noted that Public Trust went above and beyond by providing four recommendations in addition to providing a thorough response. Mr. Case weighed in adding that Chandler and Public Trust had very detailed approaches and clearly specified what kind of risks they investigate and the various processes in which they use to address and manage the risk. Regarding philosophy, Mr. Case noted that Public Trust had pillars where you are able to take their philosophy and understand what it is that they are looking at in terms of putting together an investment program that works best for their client because they were clear in the different proprietary models they are using as opposed to Meeder being more vague in what their approach and philosophy is. Both Chandler and Public Trust put an emphasis on the safety principle, which was highly appreciated by the Committee and Financial Advisor as it is consistent with the Aviation Authority's philosophy. Discussion ensued and the following scores were consented:

1: Chandler Asset Management, Inc. - 28 points
2: Public Trust Advisors, LLC - 28 points
3: Meeder Public Funds, Inc. - 22 points

The following category for the Committee to score was Additional Requirements of the Proposal including prior or pending convictions, indictments, investigations, regulatory investigations, conflict of interest and proof of insurance. Ms. Dumond began by stating there was no acknowledgement of the insurance requirement or response from Meeder and they were not transparent about the terms and conditions that they wanted the Aviation Authority to potentially consider, leading Ms. Dumond to recommend decreasing points from the firm in this category. Discussion ensued and the following scores were consented:

1: Chandler Asset Management, Inc. - 5 points
2: Public Trust Advisors, LLC - 5 points
3: Meeder Public Funds, Inc. - 2 points

The final category for the Committee to score was Professional Fees. Mr. Joseph was requested to review the fees and as follows is the summary of each firm's fees:

- Chandler: the first tier of $100million is 5 basis points, the next tier of $100million is 4 basis points, and anything over $200million is 3 basis points with a maximum annual fee not to exceed $500,000
- Meeder: the first tier of $100million is 4 basis points, the next tier of $100million is 3 basis points, and anything over $200million is 2 basis points with a maximum annual fee to not exceed $270,000
- Public Trust : the first tier of $100million is 4 basis points, the next tier of $100million is 3 basis points, and anything over $200million is 2 basis points with a maximum annual fee to not exceed $250,000

Chair Sharman noted that typically the Committee gives the top score to the lowest price and work downward from that point. Discussion ensued and the following scores were consented:

1: Public Trust Advisors, LLC – 25 points
2: Meeder Public Funds, Inc. - 24 points
3: Chandler Asset Management, Inc. - 20 points

Prior to final deliberations, Ms. Dumond requested Procurement to review the references that were provided. Mr. Harris replied that all references received were meet or exceeds with one non-responsive reference from the City of Dallas for Meeder.

Presented by Ms. Lonsdale, the final scoring totals of all firms, in alphabetical order, are as follows:

1: Chandler Asset Management, Inc. – 91 points
2: Meeder Public Funds, Inc. - 78 points
3: Public Trust Advisors, LLC - 96 points

With no further discussion, Chair Sharman entertained a motion. Ms. Dumond made a motion to rank the RFP 24-107 Investment Advisory Services with the first ranking firm being Public Trust Advisors, LLC, second as Chandler Asset Management, Inc., and third being Meeder Public Funds, Inc., and motion to award the contract to Public Trust Advisors, LLC. Mr. Friel seconded the motion.

Having no further business to be considered, Chair Sharman adjourned the meeting at 11:02 a.m.

Kathleen M. Sharman, CFO
Kathleen M. Sharman
Chairperson

Kasie Berube
Kasie Berube
Recording Secretary