

# FLORIDA MUNICIPAL PENSION TRUST FUND

## TRUSTEE RESPONSIBILITIES

### Fiduciary Duty

State law permits trustees to exercise a number of powers in connection with the administration of a trust. Trustees, for example, have the power to invest and reinvest trust assets, to enter into contracts and to employ agents to administer the trust. Trustee duties, on the other hand, govern the manner in which trustees exercise their powers. The following are fundamental duties imposed on the trustees, the breach of which can subject the trustee to personal liability.

#### Fiduciary responsibility includes:

- ▶ **Purpose of the Trust:** A Trustee must carry out the fundamental purpose of the Trust; that is, the Trustee must carry out the intent of those that established the Trust.
- ▶ **Good Faith:** A Trustee must act in good faith in the administration of the Trust.
- ▶ **Self-Dealing:** A Trustee may not use Trust property or exploit his relationship with the Trust for his own personal advantage.
- ▶ **Dealing with Beneficiaries:** A Trustee may not take advantage of information received in his capacity as a Trustee when entering into any transaction with a Trust beneficiary.

- ▶ **Due Care, Diligence and Skill:** A Trustee must exercise due care, diligence and skill in the administration of the Trust.
- ▶ **Impartiality:** When there is more than one beneficiary of a Trust, the Trustee must deal impartially with each beneficiary.
- ▶ **Accountings:** The Trustees are under the general duty to routinely keep the Trust's beneficiaries apprised of the operations of the Trust and, upon request, must provide a beneficiary with relevant information about the assets of the Trust and the particulars relating to its administration.

### Role of Trustees

#### In their role, Trustees are expected to:

- ▶ Follow the Plan Document, the Sunshine Law and the Code of Ethics (Part III, Chapter 112, Florida Statutes).
- ▶ Monitor performance and fees of Plan professionals.
- ▶ Monitor contributions made to fund the Plan.
- ▶ Review disability claims brought to the Board.
- ▶ Conduct meetings according to Robert's Rules of Order.

### Scope of the Sunshine Law

There are three basic requirements of Section 286.011, Florida Statutes: One, meetings of public boards or commissions must be open to the public; two, reasonable notice of such meetings must be given; and three, minutes of the meetings must be taken and promptly recorded.

Trustees cannot discuss board matters outside of a pension board meeting among themselves on matters that could come to a vote at a board meeting. This requirement includes both written and verbal communication.

### Florida Statutes Resources

*Fiduciary Duty*

*Public Meetings*

*Code of Ethics for Public Officers and Employees*

*Municipal Firefighter Pensions*

*Municipal Police Pensions*

### Additional Resources

*Link for Prudent Law*

*Online Sunshine (Florida Legislature)*

*Robert's Rules of Order*