

MINUTES OF MEETING
STATE BOARD OF FINANCE
Tuesday, February 18, 2025, 10:00 AM

A meeting of the State Board of Finance of the State of Arkansas was held Tuesday, February 18, 2025 at 10:00 a.m., pursuant to notice duly given to each member of the Board and the press by the Chairman. The meeting was held in person at the Delta Conference Room, Winthrop Rockefeller Building, 501 Woodland Street, Little Rock and via Microsoft Teams.

The following members were present:

Jim Hudson, Secretary Department of Finance and Administration
Honorable John Thurston, Arkansas State Treasurer
Leslie Fiskien, Secretary of the Department of Transformation and Shared Services
Honorable Dennis Milligan, Auditor of State
Susannah Marshall, State Bank Department Commissioner
Jimmy Ritchie, General Securities Representative
Marc Emrich (via Microsoft Teams), Certified Public Accountant Representative
Chad T. May, General Public Representative
Alan McClain (via Microsoft Teams), Arkansas Insurance Commissioner

Others present were staff from the Arkansas State Treasury, Arkansas State Auditor's Office, and Employee Benefits Division. Also present were employees Department of Finance and Administration and Grant Wallace, Director of Employee Benefit Division.

Secretary Hudson, seeing a quorum, called the meeting to order at 10:00 a.m. Secretary Hudson welcomed the new Treasurer of State, John Thurston, to the State Board of Finance. Minutes of the meeting held on December 10, 2024, were approved as distributed after a motion to approve by Chad May and a second by Susannah Marshall. Secretary Hudson recognized Treasurer Thurston for the presentation of the Treasury Investments.

Treasurer Thurston thanked the Chair for the welcome and stated that the Treasurer's office set another record in earnings of over \$200 million for the first two quarters of FY2025. Treasurer Thurston thanked the Investment Team for their hard work and briefly commented on the continued strategy of the investment portfolio. Treasurer Thurston then recognized Mr. Steven Kilgore, Mr. Steve Pulley, and Mr. Robert Romanik, all from the Arkansas State Treasurer's Office. After a brief presentation, Secretary Hudson entertained a motion to set the new target rate of book return for the 3rd quarter of Fiscal Year 2025, January 1, 2025 through March 31, 2025, to a range of 3.30%-3.40%. A motion was made by Secretary Fiskien to set the target rate of book return for the period of January 1, 2025 through March 31, 2025 from a range of 3.40%-3.50% to a new range of 3.30%-3.40%. The motion was seconded by Auditor Milligan. The motion was adopted with all in favor.

Secretary Hudson then addressed quarterly business by making a motion that no funds were available for deposit into the State Board of Finance certificate of deposit program for the 4th quarter of Fiscal Year 2025, April 1, 2025 through June 30, 2025. The motion was seconded by Commissioner Susannah Marshall. The motion was adopted with all in favor.

Secretary Hudson next made a motion that the Board direct the Treasurer of State to purchase warrants for the 4th quarter of Fiscal Year 2025, April 1, 2025 through June 30, 2025, pursuant to Act 1088 of 2013, and to keep reasonable amounts in demand deposit accounts and money markets during the next quarter for the transactions of the day-to-day activities of the State. The motion was seconded by Secretary Fiskien. The motion was adopted with all in favor.

Secretary Hudson then recognized Mr. Grant Wallace, Director of the Employee Benefit Division, to address the EBD business. Mr. Wallace reported on the updated pharmacy formulary recommendations and requested an approval from the board. A motion was made by

Secretary Fiskien to approve the pharmacy formularies, and Commissioner Alan McClain seconded the motion. The motion was adopted with all in favor. Mr. Wallace continued by reviewing the medical formulary recommendations and requested an approval from the board. A motion was made by Secretary Fiskien to approve the medical formulary recommendations, and Commissioner Susannah Marshall seconded the motion. The motion was approved with all in favor.

Mr. Wallace next presented the Navitas Business Consulting, Inc. contract for review by the board. This contract is for a new technology system to redo the AR Benefits portal system and the administrated systems for EBD. It is a contract for an initial three (3) year term for \$12 million dollars. If extended to the full seven (7) years, it would cost a total of \$22 million dollars. The primary utilizers will be EBD members and staff. Commissioner Marshall asked if there were cybersecurity protocols, and Mr. Wallace affirmed and stated that DIS has also been heavily involved in the procurement. An app may be available in the future, but the cost would be too much in the initial stages of the system. Secretary Fiskien made a motion to approve the contract, and Auditor Milligan seconded the motion. The motion was adopted with all in favor.

Mr. Hudson, seeing no additional business, declared the meeting adjourned at 10:24 a.m.