MINUTES OF MEETING

STATE BOARD OF FINANCE

May 5, 2020

A meeting of the State Board of Finance of the State of Arkansas was held online using Zoom platform on Tuesday May 5, 2020 at 10:00 am, pursuant to notice duly given to each member of the Board by the Chairman. Zoom recording of meeting is available through the Treasurer of State’s office.

 The following members were present:

 Larry Walther, Secretary of Department of Finance and Administration

 Dennis Milligan, Treasurer of State

 Andrea Lea, Auditor of State

 Candace Franks, Arkansas Bank Commissioner

 Christian Olson, representing Arkansas Securities Commissioner Edmund Waters

 Cale Turner, Appointed Member

 Clay Conly, Appointed Member

 Keith Konecny, Appointed Member

 Other present were Jason Brady, T.J. Fowler, Martin Kelly, Damon Dortch, Stacy Peterson, Celeste Gladden, Autumn Sanson, Gary Underwood, and Grant Wallace of the Treasurer’s staff, and Paul Louthian and Debbie Rogers of the Department of Finance and Administration. Chairman Walther, called the meeting to order with recognition of a quorum.

 Minutes of the meeting held on February 4, 2020 were approved as distributed.

Chairman Walther then recognized State Treasurer Dennis Milligan to present the Treasury Investment Performance Report for the third quarter of fiscal year 2020. The report is included in the minutes as Attachment 1. Treasurer Milligan greeted the board and summarized the different ways that the Treasury was helping with the funding of Covid-19 relief. The Treasurer also discussed the last quarter of earnings and investment plan of the Treasury. Mr. Walther asked if there were any questions. Seeing no questions, Mr. Walther asked for a motion to approve the Treasurers report. The motion was made by Mrs. Franks and seconded by Mr. Conly. All members were in favor.

Mr. Walther then made a motion that the Board direct the Treasurer of State to purchase warrants for the first quarter of fiscal year 2021, July 1, 2020 through September 30, 2020, 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 Mrs. Franks, and all members were in favor.

 Next, Mr. Walther asked for consideration of changes to the Treasury’s broker list, which is Amendment 2 to the minutes. Mr. Walther recognized Martin Kelly, Chief Investment Officer in the Treasury. Mr. Kelly summarized the changes made to the broker list, including the merger of Southwest Securities to Hilltop Securities. Mr. Walther asked for a motion to accept the changes to the broker list. A motion was made by Mr. Conly, and seconded by Auditor Lea. All members were in favor.

 Mr. Walther then recognized Autumn Sanson, Chief Compliance Officer, for an update and report on compliance within the Treasury. Mrs. Sanson explained some of the ways the Treasury could start testing compliance in different areas that are noted in the Investment Policy. She provided a spreadsheet as an example, which is Attachment 3 to the minutes.

Mr. Walther then asked if there was any additional business to come before the board, and hearing none he asked for a motion to adjourn. Auditor Lea made the motion, and Mr. Konecny seconded it. All members were in favor.