

MINUTES OF MEETING  
STATE BOARD OF FINANCE

DECEMBER 1, 2015

A meeting of the State Board of Finance of the State of Arkansas was held in the Conference Room, Office of the Treasurer of State, Suite 275, Victory Building, Little Rock, Arkansas, at 10:00 a.m., Tuesday, December 1, 2015, pursuant to notice duly given to each member of the Board by the Chairman.

The following members were present:

Larry Walther, Director, Department of Finance and Administration  
Dennis Milligan, Treasurer of State  
Andrea Lea, Auditor of State  
Marjorie Greenberg, Representing Governor Asa Hutchinson  
Edmond Waters, Arkansas Securities Commissioner  
Candace Franks, Arkansas Bank Commissioner  
Cale Turner, Appointed Member  
Gabe Holmstrom, Appointed Member  
Al Harkins, Appointed Member  
Keith Konecny, Appointed Member

Others present were Jim Harris, Jason Brady, Grant Wallace, Autumn Sanson, Ed Garner, Larry Tate, and Celeste Gladden of the Treasurer's staff; Christian Olson of the Governor's staff; Paul Louthian of the Department of Finance and Administration; and Mike Wickline of the Arkansas Democrat Gazette.

Larry Walther served as acting Chairman in the absence of Governor Hutchinson and called the meeting to order with recognition of a quorum.

Minutes of the meeting held on September 24, 2015 were approved as distributed.

Chairman Walther recognized State Treasurer Dennis Milligan to present the Treasury Investment Performance Report. This report, "Investments Operations and Projections - Fourth Quarter 2015", is included in the Minutes as Attachment 1. Treasurer Milligan told the Board that the numbers being presented are partial returns for the fourth quarter, due to the earliness of the meeting

this month. He explained that the Treasury receives most returns by the 15<sup>th</sup> of each month.

Treasurer Milligan stated that through the month of October, the Treasury has earned the hardworking taxpayers of Arkansas 19.6 million dollars. He continued by saying that the Treasury is well on the way to reaching the target laid out in the last meeting, and will be sending the Board the final year end totals for 2015 around January 15<sup>th</sup> of 2016. He continued, referring to Slide 2, Short-Term Portfolio Earnings, and said that the total return for short-term investments year-to-date is \$5,970,351.58. Next, he referred to Slide 3, Long-Term and Mortgage Back Earnings, and said that there was a noticeable increase in activity for mortgage-backed securities, with the total return for the long-term portfolio year-to-date being \$14,205,896.82. Treasurer Milligan then referred to Slide 4, Total Treasury Portfolio Comparison. He stated the total return for the entire portfolio through the month of October is \$19,699,862.96, which is 3.7 million dollars ahead of where the Treasury was at this point in the last two years. Treasurer Milligan stated that he commends the investment staff for the wonderful job they have done and the commitment that they have made. He told the Board that the Treasury will continue to put the mission first, which is to maintain appropriate liquidity and maximize return. He then thanked the Board members for their cooperation, trust, and flexibility, which allows the Treasury to serve the taxpayers of Arkansas.

Chairman Walther addressed the Board and asked if there were any questions about the report. There were none. He then asked for a motion from the Board to accept the Treasury Investment Performance report into the record. The motion was made by Al Harkins and seconded by Marjorie Greenberg. All members were in favor.

Next, Chairman Walther made a motion to establish that no funds are available for deposit into the State Board of Finance certificate of deposit investment program. The motion was seconded by Candace Franks. All members were in favor.

The Chairman then made a motion that the Board direct the Treasurer of State to pay the warrants for the succeeding quarter, Jan 1, 2016 – March 31, 2016, 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 Keith Konecny. All members were in favor.

Chairman Walther addressed the next item on the agenda, proposed meeting dates for 2016. He proposed the following dates: March 22<sup>nd</sup>, 2016, the fourth Tuesday of the last month of the first quarter; June 21<sup>st</sup>, 2016, the third Tuesday of the last month of the second quarter; September 20<sup>th</sup>, 2016, the third Tuesday of the last month of the third quarter; and December 15<sup>th</sup>, 2016, the second Thursday of the last month of the quarter. The Chairman asked the Board if there was any discussion regarding these dates. Mr. Konecny asked if these dates would give the Treasury enough time to get numbers for that quarter. Treasurer Milligan responded affirmatively, and Jason Brady added that the only exception would be the December meeting, the meeting being earlier due to the Christmas holidays. Chairman Walther suggested that the Board add these proposed dates to the calendar, and adjustments can be made to the dates later if needed.

To conclude, the Chairman asked if there was any other or new business to be brought before the Board. There being no further business, the Chairman declared the meeting adjourned.

ATTEST:

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Secretary of the State Board  
of Finance of the State of Arkansas

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Acting Chairman of the State Board  
of Finance of the State of Arkansas

Secretary's Note: All documents pertaining to the issues considered are filed in the permanent records of the State Board of Finance.