

MINUTES OF MEETING  
STATE BOARD OF FINANCE  
Thursday, August 22, 2024

A meeting of the State Board of Finance of the State of Arkansas was held Tuesday, August 22, 2024, at 10:00 am, pursuant to notice duly given to each member of the Board and the press by the Chairman. The meeting was held in the Delta Conference Room located in the Winthrop Rockefeller Building. The meeting was recorded and is available upon request through the Arkansas State Treasury.

The following members were present:

Leslie Fiskens, Secretary of Transformation and Shared Services  
Larry Walther, Arkansas State Treasurer and Acting Chair for Jim Hudson  
Dennis Milligan, Arkansas Auditor of State  
Chad May, Appointed Member  
Brent Morgan, Appointed Member  
Jimmy Ritchie, Appointed Member  
Alan McClain, Arkansas Insurance Commissioner  
Campbell McLaurin, Arkansas Securities Commissioner  
Marc Emrich, Appointed Member

Others present were staff from the Arkansas State Treasury and Auditor of State. Also, present were Debbie Rogers, Andy Babbitt, and Kevin Carr from the Department of Finance and Administration and Grant Wallace, Director of Employee Benefit Division.

Treasurer Walther was acting Chair in the absence of Secretary Hudson.

Treasurer Walther recognized a quorum and called the meeting to order. Mr. Walther asked for a motion to accept the minutes of the previous meeting, May 22, 2024. A motion to approve the

minutes was made by Auditor Milligan and seconded by Secretary Fisken. All members were in favor.

Next Treasurer Walther briefly commented on the continued strategy of the investment portfolio and then recognized Mr. Steven Kilgore, Mr. Steve Pulley, and Mr. Robert Romanik, all from the Arkansas State Treasurer's Office. After a brief presentation of the fourth quarter of fiscal year 2024 which included the actual rate of book return being 3.529%, Treasurer Walther entertained a motion to set the new target rate of book return for the 1st quarter of fiscal year 2025, July 1, 2024, through September 30, 2024, from the previous range of 3.40%-3.50% to a range of 3.50%-3.60%. A motion to approve the new rate range was made Mr. Emrich and seconded by Mrs. Fisken. All members were in favor. Next a motion was made by Auditor Milligan to approve the Treasury Report for the 4th quarter, April 1, 2024, through June 30, 2024. The motion was seconded by Mr. May and all members were in favor.

Treasurer Walther 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 2nd quarter of fiscal year 2025, October 1, 2024, through December 31, 2024, and that the Board direct the Treasurer of State to purchase warrants for the 2nd quarter of fiscal year 2025, October 1, 2024, through December 31, 2024, 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 Fisken. All members were in favor.

Next Treasurer Walther informed the board that annual motions would need to be approved and that he would batch them into one motion. Treasurer Walther made a motion to approve the following annual motions:

1. To approve the record-keeping systems of the Treasurer of State with the accounts recorded using the cash basis of accounting for daily transactions. Adjusting entries shall be made at each fiscal year end to properly report the operating results of the Treasurer of State on the accrual basis of accounting, to comply with generally accepted accounting principles (GAAP).
2. To approve the record keeping and reporting requirements of the Treasurer of State, to include at the minimum the following reports:
  - a. Ledger Balance and Activity (Daily and Monthly)
  - b. Fund Transactions by Type (Daily and Fiscal Year-to-Date)
  - c. Checks Charge Off Detail by Line Item (Daily and Fiscal Year-to-Date)
  - d. Safekeeping Inventory (Daily)
  - e. Trust Fund Certificates of Deposit (Daily)
  - f. Collateral Sufficiency (Daily)
  - g. Demand Account Balances (Daily)
  - h. Money Market Balances (Daily and Monthly)
  - i. Return on Investment (Monthly and Fiscal Year-to-Date)
3. To approve the current Collateralization Policy of the Treasurer of State.
4. To approve the Code of Ethics for the members of the Board of Finance and the Code of Ethics and criminal background checks for the current employees of the Treasurer of State.
5. To approve the minimum qualifications and standards for all employees of the Board or the Treasurer of State who handle State Treasury funds or participate in decisions concerning the deposit or investment of State Treasury funds.
6. To approve the eligibility requirements for a bank depository, an investment depository, and a securities broker.
7. To approve the Arkansas State Treasury Investment Policy and the Money Management Trust Fund Policy.

The motion to approve the annual motions was seconded by Secretary Fisken. All members were in favor.

Treasurer Walther then shifted to the business of Employee Benefit Division by recognizing Mr. Grant Wallace, Director of EBD. Mr. Wallace reported on the updated formulary recommendations and requested an approval from the board. A motion was made by Secretary Fisken to approve all formulary recommendations. The motion was seconded by Auditor Milligan and all members were in favor.

Mr. Wallace next reviewed contracts. The first contract was for Retiree First, a pilot program that would serve EBD's Public School Retiree's. A motion to approve the contract was made by Secretary Fisken and seconded by Commissioner McClain. All members were in favor. The next contract was for Optum, which administers the health savings accounts and flexible spending accounts. A motion was made by Mr. McClain to approve a one-year renewal with Optum. The motion was seconded by Mr. May and all members were in favor. Colonial Life was the next contract discussed. Colonial Life provides group life insurance to employees. A motion was made by Secretary Fisken to approve a one-year renewal through December 31, 2025. The motion was seconded by Mr. Emrich and all members were in favor. Next was the contract for Catilize Health, a pilot program for new hires. A motion was made by Mr. McClain to approve the contract which would start on January 1, 2025, and end on August 31, 2025. The motion was seconded by Mrs. Fisken and all members were in favor. The last contract was UnitedHealthCare, the group Medicare advantage plan for retirees. A motion was made by

Secretary Fiskien to approve the amended premium increases as presented. The motion was seconded by Auditor Milligan and all members were in favor.

Seeing no additional business to come before the board, Treasurer Walther declared the meeting adjourned.