

MINUTES OF MEETING  
STATE BOARD OF FINANCE

June 10, 2009

The State Board of Finance of the State of Arkansas met in the Conference Room, Office of the Treasurer of State, Suite 275, Victory Building, Little Rock, Arkansas, at 10:00 a.m., Wednesday, January 10, 2009, pursuant to notice duly given to each member of the Board by the Chairman.

The following members were present:

Richard Weiss, Director, Department of Finance and Administration  
Martha Shoffner, Treasurer of State  
Brent Taylor, representing Arkansas State Bank Commissioner Candace Franks  
Jim Wood, Auditor of State  
James Miller, representing Governor Mike Beebe

Others present were Michael Wickline, reporter for the Arkansas Democrat-Gazette; Lisa White of the Auditor's staff; and Karla Shepard, Autumn Sanson, and Patti Vick of the Treasurer's staff.

Richard Weiss served as acting Chairman in the absence of Governor Beebe and called the meeting to order with recognition of a quorum.

Minutes of the meeting held on January 30, 2009, were approved as distributed.

The Chairman called upon Brent Taylor to discuss the Bank Commissioner's findings in regard to current interest rates being paid by banks and lending institutions and for the Commissioner's recommendations concerning the reinvestment of the \$110,000,000.00 maturing on June 29, 2009. Mr. Taylor stated that his department had polled over 30 state-chartered banks to establish the recommended rate, which he described as "low". It was Ms. Franks'

recommendation that the certificates of deposit be offered for investment to Arkansas banks and savings and loan associations at the rate of .78% for a 182-day term. Chairman Weiss asked Secretary Shoffner what the Treasury's experience had been in placing money at the current rate of .94%, which had been set at the State Board of Finance meeting of January 30, 2009.

Secretary Shoffner responded that there were no difficulties, that the banks were accepting the .94% rate. Chairman Weiss called upon Autumn Sanson, Treasury Chief Investments Officer, for her input. Ms. Sanson stated that her concern was that the rate of .78% was going "really low". She added that the banks are paying their consumers considerably more than (the amount) the State is asking, and that the Board has to think of the State in getting a good yield. She recommended that the Board consider keeping January's rate of .94%. Chairman Weiss recognized State Auditor Wood, who moved that the Board keep the current rate of .94% and Secretary Shoffner seconded the motion. The motion to offer the certificates of deposit for investment to Arkansas banks and savings and loan associations at the rate of .94% for a 182-day term was passed unanimously by 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.