**DRAFT MINUTES**

SOUTHEAST COMPACT COMMISSION

ADMINISTRATIVE COMMITTEE

JUNE 19, 2019

The Administrative Committee met in the Cumberland Room of the Marriott Courtyard Nashville Vanderbilt in Nashville, Tennessee. Chairman Donna Hodges called the meeting to order at 3:30 P.M. A quorum of the Committee was present.

**Members present were:**

Donna Hodges, Chairman

Karl Frost

John Williamson

Paul Burks

Michael Mobley

Les Foldesi

Debra Shults, *ex officio*

Steve Harrison, *ex officio*

**Staff present:**

Ted Buckner

**Also present were:**

Bynum Satterwhite

Jack Storton

David Turberville

John Lanza

B. J. Smith

**Public Comment**

Chairman Hodges noted that were no members of the public present for the meeting.

**Approval of Minutes**

Minutes for the June 25, 2018 meeting were presented for approval. Chairman Hodges noted that there was one minor typo for staff to correct. **A motion to accept the minutes as corrected and seconded by Debra Shults. The minutes as corrected were approved unanimously.**

**Staff Report**

There was no staff report and the Commission moved to the next agenda item.

**Review of Financial Status and Management of Commission Funds**

Bynum Satterwhite of Raymond James, the Commission’s investment firm, provided committee members with a written report of the current status of the Commission’s investments and provided a detailed explanation of the report including:

* Rates of return;
* Duration and yield to worst;
* Callable investments and their impact on yields;
* Laddering of the portfolio;
* Asset classes within the portfolio;
* Ratings of investments;
* Duration of investments;
* Current market value of investments;
* Diversification of corporate investments; and
* Cash flow and interest payments.

Mr. Satterwhite noted that portfolio contains three CD’s that exceed the $250,000 FDIC insurance limitation. Those investments are a very small percentage of the total portfolio, they will be partially liquidated to bring the amounts down below the FDIC limitation.

Mr. Buckner had no further information to add to Mr. Satterwhite’s presentation.

**Discussion of Proposed Budget for 2019/2020**

Ted Buckner presented the proposed budget for 2019/2020 and the supporting documentation to the Committee. He explained the significant differences between the proposed budget and the 2018/2019 approved budget.

The Committee discussed an addition of $5,000 to the budget to provide funding for the fall LLW Forum meeting.

**Commissioner Mike Mobley moved that the proposed budget for 2019/2020 with the $5,000 addendum be recommended to the Commission for consideration. Commissioner Burks seconded the motion. The motion passed unanimously.**

**Establishing a New Finance Committee**

The Administrative Committee discussed the need to establish a Finance Committee to assist in implementing additional internal controls and maintaining good internal controls over the Commission’s investments.

**Les Foldesi moved that the Committee recommend to the Commission that it amend the Bylaws to provide for a new Finance Committee. Mike Mobley seconded the motion. The motion passed unanimously.**

**Financial Policies and Procedures**

The Committee reviewed a set of proposed financial policies and procedures related to internal controls and referred them to the Finance Committee to be implemented.

**Draft Bylaws Amendments**

The Committee discussed the set of proposed Bylaws amendments developed by an *ad hoc* Bylaws Committee. **John Williamson moved that the Committee recommend the proposed Bylaws amendments to the Commission and Mike Mobley seconded. The motion passed unanimously.**

**Succession Planning**

The Committee discussed changing from a salaried staff position to a part-time independent contractor. Personnel policies and operating polices will need to be revised depending on the departure of current staff.

**Discussion of Staff Compensation and Benefits for the current year**

The Committee discussed moving forward with succession planning using a part time independent contractor rather than an employee with salary and benefits. The Committee also discussed whether to proceed for the upcoming year under the current system. The issue was deferred for discussion in the Commission meeting.

**Sanctions Committee**

The Committee voted to eliminate the Sanctions Committee.

**Public Comment**

There was no public comment.

The meeting adjourned at 5:45 P.M.