

**THE ALABAMA PREPAID AFFORDABLE COLLEGE TUITION PROGRAM
MEETING OF THE BOARD OF DIRECTORS
MINUTES
November 17, 2020**

Present:

Treasurer John McMillan, Chair
Mr. Robert Bradley
Ms. Patti Lambert
Dr. Ken Tucker
Mr. Tommy Dismukes
Gen. Paul Hankins
Mr. Jason Alderman
Mr. Sara Calhoun for Mr. Jimmy Baker
Mr. Marc Green for Dr. David Bronner
Dr. James Purcell
Ms. Michelle Granberry

Absent:

Rep. Bill Poole
Sen. Donnie Chesteen
Sen. Garlan Gudger
Mr. Kelly Butler

Others present include:

Ms. Daria Story, Assistant Treasurer
Ms. Anita Kelley, Program Director
Ms. Brittany Carter, External Affairs
Mr. Dan Sherman, Sherman Actuarial Services
Mr. George McCurdy, Regions Bank
Mr. Robert Richardson, Regions Bank

Pursuant to written and public notice, the quarterly meeting of the Board of Directors of the PACT Program was held on November 17, 2020. In accordance and compliance with Governor Ivey's Statement of Emergency dated March 18, 2020, and as amended, the meeting was held by video conference with access posted on the Secretary of State's meeting notice in order to allow the public to listen to, observe or participate in the meeting.

The meeting was called to order by Chair John McMillan at 11:02 a.m.

Roll was taken with a quorum present.

Chair McMillan presented the minutes of the August 18, 2020 board meeting. A motion for approval of the minutes as presented was made by Gen. Hankins, seconded by Mr. Bradley, with unanimous approval.

Chair McMillan asked Anita Kelley for a program report. Ms. Kelley provided information on program activities, plan assets, revenues and disbursements, and the

EOY budget for fiscal year 2020 as well as the budget for fiscal year 2021. She discussed tuition payments and stated the program paid out benefits in the amount of \$18.7 million to 4,875 students from 07/01/20 through 09/30/2020 and noted that the number of active accounts was 11,340. A transfer from the Education Trust Fund in the amount of \$7.97 million was received on 10/02/20. The report was received as informational.

Chair McMillan called on George McCurdy with Regions Bank to present the quarterly investment report. Mr. McCurdy gave an economic and financial market update. He discussed the asset value of the portfolio and stated that at the direction of the Board, the assets are transitioning into cash and cash equivalents and noted that of the \$96.3 million invested, \$77.6 million is now in the money market fund. He discussed the performance of the portfolio including the money market fund and fixed income. He stated total returns for the portfolio were .08% for the quarter with a year to date rate of return of 2.71%. The report was received as informational.

Chair McMillan called on Dan Sherman with Sherman Actuarial Services to present the annual actuarial report. He stated the asset value as of 09/30/20 was \$99,965,199 and noted the funded ratio was 119.3% compared to the 09/30/2019 ratio of 116.6%. He reviewed the assumptions approved by the Board. He also reviewed a spreadsheet of the projected cash flows, assets and liabilities through year 2032. The report was received as informational.

Chair McMillan called on Ms. Kelley to discuss the proposed legislation to allow remote board and committee meetings. Ms. Kelley stated the current statute does not allow for remote meetings to establish a quorum. Discussion ensued. A motion to present the proposed legislation during the 2021 legislative session was made by Dr. Purcell, seconded by Mr. Dismukes, with unanimous approval.

Ms. Kelley stated that the contract with Regions Bank for Investment Management and Custodian Transition Services was finalized in September.

Chair McMillan noted the 2021 Board meeting dates.

There being no further business to be discussed, a motion to adjourn was made by Gen. Hankins, seconded by Dr. Tucker with unanimous approval. The meeting adjourned at 11:37 a.m.

Anita Kelley, Director

John McMillan, Chair