

**THE ALABAMA PREPAID AFFORDABLE COLLEGE TUITION PROGRAM
MEETING OF THE BOARD OF DIRECTORS
August 17, 2016**

MINUTES

Present:

Treasurer Young Boozer, Chair
Dr. Greg Fitch
Mr. Marc Green for Dr. David Bronner
Gen. Paul Hankins
Mr. Robert Bradley
Ms. Sarah Calhoun for Dr. Mark Heinrich
Mr. Bill Newton
Mr. Mark Sullivan

Absent:

Mr. Jimmy Stubbs
Rep. Bill Poole
Mr. Sandy Hammer
Sen. Trip Pittman
Ms. Maria Campbell
Ms. Patti Lambert
Dr. John Stewart

Others present include:

Ms. Daria Story, Assistant Treasurer
Ms. Anita Kelley, Program Director

Pursuant to written and public notice, the quarterly meeting of the Board of Directors of the PACT Program was held in the Board Room of the RSA Headquarters on August 17, 2016. The meeting was called to order by Chair Young Boozer at 1:00 p.m.

Roll was taken with a quorum present.

Chair Boozer presented the minutes of the May 18, 2016 board meeting. A motion for approval of the minutes as presented was made by Gen. Hankins, seconded by Mr. Green, with unanimous approval.

Chair Boozer asked Ms. Anita Kelley for a program report. Ms. Kelley provided information on program activities, cancellations, plan assets, and the budget for fiscal year 2016. She discussed spring and summer tuition payments and stated the program received a transfer from the Education Trust Fund transfer on 06/23/2016 in the amount of \$8,488,000.00. She also stated that Beneficiary Eligibility letters, Usage Statements and Soon to Cancel letters were mailed in the month of July. The report was received as informational.

Chair Boozer presented the quarterly investment report provided by Dahab Associates. He stated the portfolio had earned 1.3% FYTD and 1.6% YTD. Chair Boozer also discussed asset allocation and quarter end balances. The report was received as informational.

Chair Boozer stated the contract with Dahab Associates expires on 10/31/2016 and opened the floor for discussion regarding the ongoing need for an investment consultant due to decreasing balances in the fixed income portfolio. Regions Bank, as custodian, can provide quarterly market and return reports. A motion to not hire an investment consultant at the expiration of the Dahab contract was made by Mr. Newton, seconded by Gen. Hankins, with unanimous approval.

Chair Boozer presented the quarterly actuarial report provided by Sherman Actuarial Services. He stated the asset value as of 06/30/2016 was \$94,575,259. Chair Boozer provided a summary of funding and compared the 06/30/2015 assets and liabilities to the 09/30/2015 numbers and noted the funded ratio was 113.3%. He also reviewed a spreadsheet of the projected cash flow through year 2032 and discussed the end of year assets for fiscal year 2022. The report was received as informational.

There being no further business to be discussed, a motion for adjournment was made by Mr. Green, seconded by Gen. Hankins, with unanimous approval. The meeting adjourned at 1:08p.m.

Anita Kelley, Recording Secretary

Young Boozer, Chair