

**A MEETING OF THE FINANCE/INVESTMENT COMMITTEE
OF THE LIVING WELL FOUNDATION
ON THURSDAY, JANUARY 20, 2022, AT 8:00 A.M.
AT THE WMWO CHAMBER OF COMMERCE
112 PROFESSIONAL DRIVE, WEST MONROE, LOUISIANA 71291**

MINUTES

Members Present:

Jim Allbritton, Vice Chair
Melanie Massey Groves
Dr. Dave N. Norris, Jr.
Chris M. Pittard
Brandon Welch

Staff Present:

Alice M. Proffit, President/CEO
Monica Turner, Executive Assistant,
Secretary/Treasurer

Others Present:

Lucius McGehee, Jr., Argent Financial Services

Members Absent:

None

Pursuant to the provisions of Proclamation 7 JBE 2022, a Finance/Investment Committee meeting was held. Mr. Allbritton called the meeting to order, and the presence of a quorum was verified. New Board directors were introduced and welcomed to the meeting. It was noted that the Argent investment advisor would participate in various agenda items.

Minutes – The minutes from the July 22, 2021, meeting were reviewed. Upon motion by Mr. Pittard, seconded by Mr. Welch, the minutes were unanimously approved by all members then present (4-0).

Dr. Norris entered the meeting at this time.

December 2021 Financial Statements – The December 2021 financial statements, including the bond worksheet, the Argent statement, and the cash flow worksheet, were reviewed. A detailed review was held on revenues, expenses, and the format of the financial statements. It was noted that the financials reflect a deficit in the change in net asset value for month and year-to-date. Total operating expenses were reported as within or under budget. Upon review of the cash flow worksheet, it was noted that the Foundation did not spend more than it earned for 2021, and that the prior year 2020 was the only year that the Foundation had spent more than the earnings on a cash basis, due to the COVID impact and subsequent important grant-making activities. After discussion, upon motion by Mrs. Massey Groves, and seconded by Mr. Pittard, the financials for the month of December 2021 were unanimously approved (5-0). This item will be presented to the Board of Directors and thereafter to the HSD #1 Board of Commissioners for their quarterly review.

2022 Mileage Reimbursement Rate – A review was held on the 2022 Internal Revenue Service rate for employee mileage reimbursement. It was noted that the Internal Financial Procedures Policy includes a provision that the Foundation adheres to the IRS rate for mileage reimbursement as a policy, and that further approval should not be required. It was recommended that the current IRS rate be approved, but that future reviews should be an update only as to the annual rate. After discussion, upon motion by Mr. Welch and seconded by Mrs. Massey Groves, the recommendation was unanimously approved (5-0).

2022 Monthly Bills and Vendors List – The 2022 monthly bills and vendors list was presented, with a review of the added or changed vendors for certain services, as approved previously or with the Vice Chair of the committee. Upon motion by Mr. Pittard, seconded by Mrs. Massey Groves, the 2022 Monthly Bills and Vendors List was approved (5-0).

Renewal of Copier Lease – Discussion was held concerning the Ricoh copier and the upcoming end of the 4-year lease. Due to the impending deadlines and required notification procedures, and with input by the Foundation attorney and the Vice Chair of the committee, prior approval had been provided to RJ Young to renew a 4-year lease for new copier equipment based on the specific parameters and negotiated pricing. It was noted that more attractive pricing and local relationships for service would be included as part of the terms, and that RJYoung would pay off the remaining balance of the existing lease and handle the shipment of the equipment back to the financing agency. Upon motion by Mr. Pittard, seconded by Mr. Welch, the new lease arrangement with RJYoung was unanimously approved (5-0). This item will be presented to the Board of Directors as an update.

SIMPLE IRA Plan – A review of the current SIMPLE IRA plan as administered by Argent Advisors was held, and items were noted for revision and better application of the plan for employees.

- a. **Eligibility Criteria** – Discussion was held concerning employee eligibility. At this time, the Foundation offers the plan with full eligibility but needs to address inclusion of part-time employees and determine the eligibility provisions for the future. Mr. McGehee with Argent assisted in the discussion to clarify some items, including the structure of lower fees based on a conservative investment choice by participants. It was agreed that further investigation should be held regarding eligibility and past employees. After discussion it was recommended that the Foundation change its eligibility from full eligibility to limited eligibility based on IRS rules as to strictness provisions, and include participation for any employee who is anticipated to earn \$5,000 in a single calendar year, and upon completion of 1 year of employment. Upon motion by Mr. Welch and seconded by Mr. Pittard, this recommendation was unanimously approved (5-0).
- b. **Management of IRA** – Discussion was held on the management of the IRA plan. Information was provided as to the original plan administration by Argent Advisors and current options for investment options and fees, especially concerning a conservative investment choice by employees. It was reported that Argent Advisors can use Fidelity Investments for investment management and remain the local manager for the plan overall, and lower the fees for certain options. This would require new documents to be signed and auto-deductions through online transactions by the Foundation or the accountant. After discussion, recommendation was made to change the management by allowing Argent Advisors to use Fidelity Investment for the SIMPLE IRA plan. Upon motion by Mr. Pittard and seconded by Dr. Norris, the recommendation was unanimously approved (5-0).

Both of the above items related to the SIMPLE IRA Plan will be presented to the Board of Directors, and thereafter to the HSD #1 Board of Commissioners.

Living Well Foundation Policies – Based on clarifications regarding the Louisiana Legislative Auditor notifications and the recent implemented Agreed Upon Procedures (AUP) for audits, it was determined that updates might be warranted on certain policies for the Foundation.

- a. **Purchasing Policy** – Information was reviewed on the Foundation’s process for purchases and appropriate compliance to the Louisiana Public Bid Law. A policy was presented, with note that the Foundation will continue to adhere to the LA Public Bid Law provisions when applicable, and will continue to be properly initiated and completed within parameters of the

budget and as approved by the President/CEO and/or Vice Chair Finance/Investments Committee when appropriate. Upon motion by Mr. Pittard, seconded by Dr. Norris, the Purchasing Policy was unanimously approved (5-0).

- b. **Budgeting Policy** – A review was held on how the Foundation will continue to comply within Chapter 9 of the Louisiana Local Government Budget Act, and a policy for Foundation process was presented. Upon motion by Mrs. Massey Groves, seconded by Dr. Norris, the Budgeting Policy was unanimously approved (5-0).

Both of the above policies will be presented to the Board of Directors.

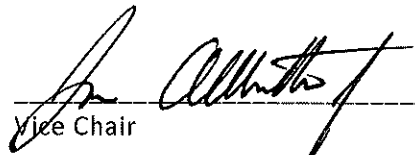
Portfolio Updates – At this time, Mr. McGehee was invited to provide an update on market issues and the portfolio structure. As a first action, the annual review of the Investment Policy was held, with note that one item would need revision, specifically the reference to the regulating agency for the securities industry, a change from the National Association of Securities Dealers (NASD) to the Financial Industry Regulatory Authority (FINRA). No other revisions were necessary at this time. Upon motion by Dr. Norris, seconded by Mr. Pittard, the annual review of the Investment Policy, with the noted revision, was unanimously approved (5-0). This item will be presented to the Board of Directors.

The discussion on the portfolio then continued. Mr. McGehee presented a spreadsheet on the upcoming portfolio maturities, with the 2022 maturities representing 40% of the portfolio, and which would provide the Foundation an opportunity for improved interest rate investments, with little need to utilize premium for purchases. A further review of the portfolio structure was held, and Mr. McGehee advised that the Foundation would be strategically positioned to continue the investment strategy of a laddered portfolio with up to 4-year maturities, and that all maturing CDs should be invested in the market, due to lagging CD rates and little interest by banks to offer attractive rates for new money. He further indicated that maturing 2022 investments would be re-invested to 3–4-year investments to comply with the strategy. In addition, discussion was held on the future impact of the Foundation and the importance of determining how to ensure improved future value, with agreement that discussions with HSD would be vital. Recommendation was then made to continue the investment strategy of a laddered portfolio with up to 4-year maturity, and to allow CDs to mature for investment in the market by Argent. Upon motion by Mrs. Massey Groves, seconded by Mr. Pittard, the recommendation was unanimously approved (5-0). This item will be presented to the Board of Directors, with Mr. McGehee and Argent presenting the portfolio performance review at the next Board meeting.


President/CEO Report – No further report at this time.

Board Chair Report – No further report at this time.

There being no other activities, and no Committee members or members of the public wished to make any further comments, upon motion duly made and seconded, the meeting was adjourned.



Vice Chair



Secretary