

| WEST VIRGINIA |

# BOARD OF TREASURY INVESTMENTS

## Board of Treasury Quarterly Meeting Minutes Thursday, August 11, 2022

The quarterly meeting of the West Virginia Board of Treasury Investments was held on Thursday, August 11, 2022, in the Treasurer's Conference Room, 315 70<sup>th</sup> Street, SE, Charleston, West Virginia. Keith Peck recorded the minutes.

### **ATTENDEES**

#### **Board Members Present:**

Steve Bohman, proxy for Committee Chair Riley Moore	Mark Mangano, via telephone
Dave Hardy	Patrick Smith
Lisa Hopkins	

#### **BTI/ STO Staff Present:**

Denise Baker	Lindsay Marchio
Sarah Canterbury	Keith Peck
Shana Clay	Karl Shanholtzer
Diane Holcomb, via telephone	
Kara Hughes	

#### **Others Present:**

Anoop Bhasin, Department of Revenue  
Keith Reynolds, Segal Marco Advisors  
Maxwell Anthony, Sterling Capital  
Peter Brown, Sterling Capital  
Austin Dunlap, Sterling Capital  
Alex Harshberger, Sterling Capital

### **AGENDA**

- I. Call to Order
- II. Roll Call – Declare Quorum
- III. Approval of Minutes of the April 28, 2022 Board Meeting
- IV. Executive Director's Report
- V. Reports
  - a. Audit Committee
    - i. Report
  - b. Investment Committee
    - i. Report

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- c. Personnel and Governance Committee
  - i. Report
- VI. Election of Officers
- VII. Old Business
- VIII. New Business
- IX. Next Board Meeting - (Tentatively Thursday, October 27, 2022)
- X. Adjourn

## **MINUTES**

### **I. Call to Order**

Steve Bohman as proxy for Riley Moore, Committee Chair, called the meeting to order at 11:57 a.m.

### **II. Roll Call – Declare Quorum**

A silent roll call was taken and a quorum declared.

### **III. Approval of Minutes of the April 28, 2022 Board Meeting - **Tab 1****

Patrick Smith moved to approve the April 28, 2022, minutes as printed. Dave Hardy seconded. Motion carried unanimously.

### **IV. Executive Director's Report – **Kara – Tab 2****

Kara Hughes summarized the Executive Director's Report, a copy of which is attached and made a part hereof. Kara also announced S&P's re-affirmation of the BTI's AAAM principal stability fund rating for the WVMM and WVGMM Pools received on May 25, 2022. Kara summarized the BTI achievements for the past quarter and goals for the upcoming quarter which include due diligence reviews for Federated Hermes and BNY Mellon, re-design of the BTI's website, preparation of the Annual Comprehensive Financial Report and development of fund prospectus' for the BTI's three main investment pools. Dave Hardy asked who provides the design services for the BTI's website. Kara responded that internal IT staff provide the BTI website services.

Lisa Hopkins recommended the Board approve the Executive Director's Report. Dave Hardy seconded. Motion carried unanimously.

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V. Reports

The chair moved to the next order of business regarding Committee Reports.

a. Audit Committee

Lisa Hopkins, Committee Chair, presented the Audit Committee Report. The Audit Committee met on Thursday, August 11, 2022. Actions taken were to:

- 1) Approve the April 28, 2022, Audit Committee Minutes
- 2) Accept the June 30, 2022, Operating Report
- 3) Accept the quarter ended June 30, 2022, Budget to Actual Report
- 4) Approve the preliminary appropriation request and authorize staff to make necessary adjustments to comply with directives from the State Budget Office
- 5) Ratify the Purchasing Card Activity for the quarter ended June 30, 2022
- 6) Recommend the Board allow staff to e-mail the audited June 30, 2022, financial statements to board members and if no issues, authorize approval of financial statements.
- 7) Approve the Internal Audit Report, Audit Committee Charter, and Annual Audit Plan for FY 2023

Lisa Hopkins moved that the Board accept the Audit Committee Report. Dave Hardy seconded. Motion carried unanimously.

b. Investment Committee

Dave Hardy, Committee Chair, presented the Investment Committee Report. The Investment Committee met on Thursday, August 11, 2022. Actions taken were to:

- 1) Approve the April 28, 2022, Investment Committee Minutes
- 2) Accept the quarter ended June 30, 2022, Loan Pool Report
- 3) Approve closing the Reserve Pool and funds be transferred back to State participation in the WV Money Market Pool
- 4) Approve the current *Investment Policy Statement*, inclusive of the list of authorized investment types in Appendix A of the *Policy*, the revised individual pool and account investment policies in Appendix C-1 through C-8 of the *Policy*, and the list of NRSRO's in section IV; sub-section H of the *Policy*. Approve investment in the Federated Hermes Government

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Obligations Fund, Federated Hermes Institutional Prime Value Obligations Fund, Federated Hermes Institutional Prime Obligations Fund, Federated Hermes Treasury Obligations Fund and the Dreyfus Government Cash Management Fund.

- 5) Approve the Authorized Primary Dealer list and the BTI's current investment managers to be authorized brokers for the BTI.
- 6) Accept the Sterling Capital Performance Report
- 7) Accept the Investment Consultant Performance Report for the quarter ended June 30, 2022.

Dave Hardy moved that the Board approve the Investment Committee Report. Lisa Hopkins seconded. Motion carried unanimously.

c. Personnel and Governance Committee

Steve Bohman as proxy for Riley Moore, Committee Chair, presented the Personnel & Governance Committee Report. The Personnel and Governance Committee met on Thursday, August 11, 2022. Actions taken were to:

- 1) Approve the Minutes of the April 28, 2022, Board Meeting
- 2) Accept the Strategic Plan Update for FY 2022

Steve Bohman moved that the Board approve the Personnel & Governance Committee Report. Patrick Smith seconded. Motion carried unanimously.

VI. Election of Officers – Kara - Tab 3

- Vice Chairman  
Mark Mangano moved to nominate Dave Hardy as Vice Chairman. Lisa Hopkins seconded. Nomination carried unanimously.
- Secretary  
Dave Hardy moved to nominate Mark Mangano as Secretary. Lisa Hopkins seconded. Nomination carried unanimously.

VII. Old Business

There was no old business.

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VIII. New Business

There was no new business.

IX. Next Board Meeting - (Tentatively Thursday, October 27, 2022)

X. Adjourn

There being no further business to bring before the Committee, Lisa Hopkins moved to adjourn. Patrick Smith seconded. Meeting adjourned at 12:04 p.m.

Approved by:   
Steve Bohman, proxy for Riley Moore

Minutes approved: 11/3/22  
(Date)

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# BOARD OF TREASURY INVESTMENTS

## Audit Committee Meeting Minutes Thursday, August 11, 2022

The quarterly Audit Committee meeting of the West Virginia Board of Treasury Investments was held on Thursday, August 11, 2022, in the Treasurer's Conference Room, 315 70<sup>th</sup> Street, SE, Charleston, West Virginia. Keith Peck recorded the minutes.

### **ATTENDEES**

#### **Board Members Present:**

Lisa Hopkins, Committee Chair  
Dave Hardy  
Mark Mangano, via telephone

Riley Moore  
Patrick Smith

#### **BTI/ STO Staff Present:**

Denise Baker  
Steve Bohman  
Sarah Canterbury  
Shana Clay  
Diane Holcomb, via telephone  
Kara Hughes

Lindsay Marchio  
Keith Peck  
Karl Shanholtzer

#### **Others Present:**

Anoop Bhasin, Department of Revenue  
Jeff Kent, Maher Duessel, via telephone  
Samantha Strejcek, Maher Duessel, via telephone  
Keith Reynolds, Segal Marco Advisors  
Maxwell Anthony, Sterling Capital  
Peter Brown, Sterling Capital  
Austin Dunlap, Sterling Capital  
Alex Harshberger, Sterling Capital

### **AGENDA**

- I. Call to Order
- II. Roll Call – Declare Quorum
- III. Approval of Minutes of the April 28, 2022 Meeting
- IV. Review and accept the June 30, 2022 Operating Report
- V. Review and approve the Budget to Actual Report for the quarter ended June 30, 2022

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- VI. Review and approve the FY 2024 Appropriation Request
- VII. Ratify the Purchasing Card Activity for the quarter ended June 30, 2022
- VIII. Update on the June 30, 2022 Financial Statement Audit
- IX. Review and approve the Internal Audit Report, Audit Committee Charter and Internal Audit Plan for FY 2023
- X. Old Business
- XI. New Business
- XII. Next Board Meeting (Tentatively Thursday, October 27, 2022)
- XIII. Adjourn

## **MINUTES**

I. Call to Order

Lisa Hopkins, Committee Chair, called the Audit Committee meeting to order at 10:09 a.m.

II. Roll Call – Declare Quorum

A silent roll call was taken, and a quorum was declared.

III. Approval of Minutes of the April 28, 2022 Meeting – **Tab 4**

Mark Mangano moved to approve the April 28, 2022, Audit Committee Minutes as printed. Dave Hardy seconded. Motion carried unanimously.

IV. Review and accept the June 30, 2022 Operating Report – Karl – **Tab 5**

Karl Shanholtzer presented the BTI's Operating Report for June 30, 2022. A copy of the Operating Report is attached and made a part hereof. Total assets under management were at an all-time high of \$9,234,695,000. Year-to-date earnings were (\$1,858,000) which Karl attributed to the poor bond market for the first six months of the year. Net Assets of the Consolidated Fund increased \$912.7 million over the quarter ended June 30, 2022. This net increase was composed of an increase in the amount invested in the WV Money Market Pool (\$1.0 billion), and decreases in the WV Government Money Market Pool (\$6.6 million), WV Short Term Bond Pool (\$21.9 million), WV Bank Pool (\$30.0 million), Municipal Bond Commission Account (\$30.7 million), and the State Loan Pool (\$2.5 million). Karl noted that after the next

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CD auction the WV Bank Pool will essentially be closed because there have been no CDs placed over the past six months. The remaining pools and accounts were little changed over the quarter.

Karl reported that most pool increases have been from state agency deposits with a large portion in state participation. Karl also reported that the West Virginia Department of Highways has been spending down their account balance. Karl received a call from the West Virginia Department of Highways inquiring about why their interest earnings were up, while their balances were down. This was the result of interest rates increasing so dramatically. Dave Hardy asked how much CARES Fund money was still available. Karl stated there were zero dollars left in the investment account.

Dave Hardy moved to recommend the Board accept the June 30, 2022, Operating Report. Mark Mangano seconded. Motion carried unanimously.

V. Review and approve the Budget to Actual Report for the quarter ended June 30, 2022- Kara - **Tab 6**

Kara Hughes formally introduced the new committee member, Patrick Smith, to the Board before presenting a summary of the Budget to Actual Report for the quarter ended June 30, 2022. A copy of the Budget to Actual Report for the quarter ended June 30, 2022, is attached and made a part hereof. The Administrative Operating budget for FY 2022 totals \$1,485,000. Kara reported that the BTI is 30% under budget for the quarter ended June 30, 2022, in the amount of \$468,761.06. Total administrative expenses are under budget. The Salaries and Benefits administrative expense category is the only administrative expense category that is close to the budgeted amount and has used around 90% of the amount budgeted. For FY 2023, around \$25,000 from the Computer Supplies and Equipment administrative expense category will be reallocated to the Salaries and Benefits line item to account for previous across the board raises. This reclassification of administrative expense items will not affect the overall budget amount.

Lisa Hopkins commended BTI management for their fiscal responsibility and being consistently below budget.

Dave Hardy moved to recommend the Board accept the quarter ended June 30, 2022, Budget to Actual Report. Patrick Smith seconded. Motion carried unanimously.

VI. Review and approve the FY 2024 Appropriation Request – Kara - **Tab 7**

Kara Hughes presented the FY 2024 Appropriation Request. As part of the annual budget process, agencies are required to submit appropriation requests to the State



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Budget Office. The appropriation request for fiscal year 2024 is required to be submitted to the State Budget Office in early September 2022. For fiscal year 2024, the BTI is requesting the same overall appropriation amount as was approved for fiscal year 2023 (\$4,985,000).

The preliminary appropriation request for fiscal year 2024 is based on the fiscal year 2023 expenditure schedule. For fiscal year 2024, staff have reviewed the amounts budgeted for fiscal year 2023 and do not have any recommended adjustments.

The preliminary appropriation request may have to be modified before submission based on directives from the State Budget Office. Typically, directives from the budget office are related to payroll and benefit expenses. Any changes necessitated by directives from the State Budget Office will be offset through changes to current expense line items.

Dave Hardy moved to recommend the Board approve the preliminary appropriation request and authorize staff to make necessary adjustments to comply with directives from the State Budget Office. Patrick Smith seconded. Motion carried unanimously.

VII. Ratify the Purchasing Card Activity for the quarter ended June 30, 2022 – Denise -  
Tab 8

According to P-card policies and procedures, if a spending unit is a board, a written report of Purchasing Card transactions must be provided to Board members to be approved or ratified at regularly scheduled meetings. Denise Baker provided a summary of the BTI Purchasing Card activity for the quarter ended June 30, 2022. The total amount of P-card transactions for the quarter ended June 30, 2022, was \$2,220.35.

Lisa Hopkins abstained from voting since the Auditor's Office administers the Purchasing Card program. Dave Hardy moved to recommend the Board ratify the Purchasing Card activity for the quarter ended June 30, 2022. Patrick Smith seconded. Motion carried unanimously.

VIII. Update on the June 30, 2022 Financial Statement Audit – Jeff Kent, Maher Duessel -  
Tab 9

Jeff Kent (Partner, Maher Duessel) presented an update on the June 30, 2022, Financial Statement Audit. Jeff gave an overview of how the June 30, 2022, Financial Statement Audit was performed. Jeff also provided a summary of how the Independent Auditor's Report and the Report on Internal Control over Financial Reporting and Compliance will be issued. Jeff noted the BTI handles the preparation of monthly and annual financials in-house, along with the ACFR. Jeff commented on the strength of the BTI staff and its ability to prepare in-house financial statements. Jeff also thanked BTI staff

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for a smooth transition on their first year audit and for providing information in a timely manner.

Dave Hardy moved to recommend the Board allow staff to e-mail the audited June 30, 2022, financial statements to Board members and if no issues, authorize approval of financial statements. Patrick Smith seconded. Motion carried unanimously.

IX. Review and approve the Internal Audit Report, Audit Committee Charter and Internal Audit Plan for FY 2023 – Shana- **Separate Booklet**

Shana Clay presented the Internal Audit Report. During a review of the Audit Committee Charter for the BTI, it was found that no changes appear to be necessary to the Charter for FY 2023. Dave Hardy recommended the Board accept the Audit Committee Charter with no changes for FY 2023. Patrick Smith seconded. Motion passed unanimously.

The FY 2023 Risk Assessment was performed by Shana and updated by Internal Audit to assist in developing the Audit Plan for FY 2023. The risk assessment is used to ensure that all potential audit areas were identified and analyzed based on defined risk factors. Auditable areas were identified and ranked based on the following risk factors:

- 1). Quality of internal control structure identified by Management and Internal Audit
- 2.) Complexity of the process
- 3). Organizational or operational changes since the previous internal audit
- 4). Impact that external forces have on the process
- 5). Financial statement materiality

The Risk Assessment will be continually reviewed, and adjustments made as needed. There was no motion necessary for the Risk Assessment.

Shana also presented Internal Audit's proposed audit plan for FY 2023. Dave Hardy recommended the Board approve the FY 2023 audit plan. Patrick Smith seconded. Motion passed unanimously.

Shana gave a summary of all the testing that had been performed. There were no problematic findings noted from the testing.

Lisa Hopkins commended Shana on her ability to quickly get "up to speed" on the BTI operations and procedures since being hired. Treasurer Moore also commended Shana on how well of a job she is doing in her position.

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Dave Hardy moved to approve the Internal Audit Report, Audit Committee Charter, and Annual Audit Plan for FY 2023. Patrick Smith seconded. Motion passed unanimously.

X. Old Business

There was no old business.

XI. New Business

There was no new business.

XII. Next Board Meeting (Tentatively Thursday, October 27, 2022)

XIII. Adjourn

There being no further business to bring before the Committee, Dave Hardy moved to adjourn. Patrick Smith seconded. The meeting adjourned at 10:37 a.m.



Approved by: \_\_\_\_\_  
Lisa Hopkins, Chair

**Minutes approved: November 3, 2022**

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**Investment Committee Meeting Minutes  
Thursday, August 11, 2022**

The quarterly Investment Committee meeting of the West Virginia Board of Treasury Investments was held on Thursday, August 11, 2022, in the Treasurer's Conference Room, 315 70<sup>th</sup> Street, SE, Charleston, West Virginia. Keith Peck recorded the minutes.

**ATTENDEES**

**Board Members Present:**

Dave Hardy, Committee Chair  
Lisa Hopkins  
Mark Mangano, via telephone

Riley Moore  
Patrick Smith

**BTI/ STO Staff Present:**

Denise Baker  
Steve Bohman  
Sarah Canterbury  
Shana Clay  
Diane Holcomb, via telephone  
Kara Hughes

Lindsay Marchio  
Keith Peck  
Karl Shanholtzer

**Others Present:**

Anoop Bhasin, Department of Revenue  
Keith Reynolds, Segal Marco Advisors  
Maxwell Anthony, Sterling Capital  
Peter Brown, Sterling Capital  
Austin Dunlap, Sterling Capital  
Alex Harshberger, Sterling Capital

**AGENDA**

- I. Call to Order
- II. Roll Call – Declare Quorum
- III. Approval of Minutes of the April 28, 2022 Board Meeting
- IV. Review and approve the Loan Pool Report
- V. Review and approve the Contracts report and take action if necessary
- VI. Review and approve closing the Reserve Pool

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- VII. Annual review and approval of Investment Policy and Money Market/Fixed Income funds
- VIII. Annual review and approval of Primary Dealer List
- IX. Report on Sterling Capital Performance and take corrective action if necessary
- X. Review Investment Consultant Report and take corrective action if necessary - Quarter Ended June 30, 2022
- XI. Old Business
- XII. New Business
- XIII. Next Board Meeting (Tentatively Thursday, October 27, 2022)
- XIV. Adjourn

**MINUTES**

I. Call to Order

Dave Hardy, Committee Chair, called the Investment Committee meeting to order at 11:01 a.m.

II. Roll Call – Declare Quorum

A silent roll call was taken, and a quorum declared.

III. Approval of Minutes of the April 28, 2022 Board Meeting – Tab 10

Lisa Hopkins moved to approve the April 28, 2022, Investment Committee minutes as printed. Mark Mangano seconded. Motion carried unanimously.

IV. Review and approve the Loan Pool Report – Denise – Tab 11

Denise Baker provided an overview of the Loan Pool Report as of June 30, 2022. Denise reported the Net Asset Value of the State Loan Pool as of June 30, 2022, as follows:

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<u>Type</u>	<u>Net Asset Value</u>
WVEDA Revolving Loan	\$105,234,327.73
WVEDA Revolving Broadband Loan	\$9,685,644.96
Dreyfus Government Cash Management	<u>\$42,214.18</u>
<b>Total</b>	<b>\$114,962,186.87</b>

As of June 30, 2022, there were 67 loans in the WVEDA Revolving Loan program. The portfolio review shows 95.61% of the loans in good standing, and the remaining 4.39%, in various delinquent periods. There were no new draws for the quarter.

As of June 30, 2022, the WVEDA Revolving Broadband Loan program held three loan commitments in Traditional Broadband Loan Insurance (BLINS) projects and four loan commitments in Rural Digital Opportunity Fund (RDOF) BLINS projects. As of June 30, 2022, the EDA had submitted "Notice of Intent" memos totaling \$44,249,873.98. There were no new draws for the quarter.

Kara Hughes also updated the Board on a Broadband loan "Notice of Intent" request that was received for CityNet in May 2022. CityNet requested to substitute loan insurance (via the Broadband Program) for cash they has previously posted in 2018 to secure a Letter of Credit. BTI management was concerned that State Code was violated. State Code requires (1). written certification that the financial institution would not otherwise make the loan based solely on the creditworthiness of the loan applicant and (2) State Code does not permit insuring refinancing of existing debt. Both the EDA Board and BTI decided to seek a legal opinion from the Attorney General's office on the matter. The Attorney General's Office concluded that statute permits this type of "collateral swapping" (admittedly unusual) and the loan request does not appear to qualify as refinancing. The loan request from CityNet was subsequently approved by the BTI.

Lisa Hopkins moved to recommend the Board accept the quarter ended June 30, 2022, Loan Pool Report. Mark Mangano seconded. Motion carried unanimously.

V. Review and approve the Contracts report and take action if necessary – Kara – Tab 12

Kara Hughes presented the Contracts report. There were two contracts up for renewal: (1) Sterling Capital Management, LLC, and (2) Thomson Reuters Tax and Accounting. The contract with United Bank for the Reserve Pool expired on 8/31/2022 with no intent to renew.

There was no Board action necessary for this agenda item.

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VI. Review and approve closing the Reserve Pool – Kara – Tab 13

Kara Hughes summarized the reasons for requesting to close the Reserve Pool. The BTI established the Reserve Pool in November 2008 to provide an added layer of security for the WV Money Market and WV Government Money Market Pools.

Staff are now recommending the close of the Reserve Pool for the following reasons:

- 1) The BTI no longer participates in Securities Lending and the Pool is no longer a requirement by Standard & Poor's in order for the money market pools to be rated.
- 2) While the Reserve Pool is not complicated, it does require monthly staff time to post activity, follow up on discrepancies, prepare the monthly closes and reconcile balances.
- 3) Neither the BTI nor the WVSTO is permitted to charge any administrative fees to the Pool and therefore neither organization can defray any of the administrative costs related to managing the Pool. This is unique among the participant directed accounts managed by the BTI as the BTI is permitted to charge some form of administrative fee to defray costs.

Lisa Hopkins recommended the Board approve closing the Reserve Pool and funds be transferred back to State Participation in the WV Money Market Pool. Mark Mangano seconded. Motion carried unanimously.

VII. Annual review and approval of Investment Policy and Money Market/Fixed Income funds – Karl - Tab 14

Karl Shanholtzer presented the annual review of the Investment Policy and Money Market/Fixed Income funds. West Virginia State Code §12-6C-9 requires the Board, at each annual meeting, adopt, review, modify, or cancel the investment policy of each fund or pool created. The Code also requires that the Board review the list of authorized investment types at the annual meeting. The BTI maintains the required investment policies for the pools and accounts in Appendix C of the *Investment Policy Statement* and the list of authorized investment types in Appendix A of the *Investment Policy Statement*.



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Staff have reviewed the current *Investment Policy Statement* and appendices and have the following recommended changes:

- Strike Appendix C-6: *Investment Guidelines – Reserve Pool* – With the closing of the Reserve Pool, these investment guidelines are no longer necessary.
- Renumber the following appendices to reflect the removal of Appendix C-6:
  - Appendix C-7 to Appendix C-6
  - Appendix C-8 to Appendix C-7
  - Appendix C-9 to Appendix C-8

There were no other recommendations for changes to the Investment Policy.

Lisa Hopkins recommended the Board approve the current *Investment Policy Statement*, inclusive of the list of authorized investment types in Appendix A of the *Policy*, the revised individual pool and account investment policies in Appendix C-1 through C-8 of the *Policy*, and the list of NRSRO's in section IV; sub-section H of the *Policy*. Mark Mangano seconded. Motion carried unanimously.

Karl Shanholtzer also presented the Money Market Funds and Fixed Income Funds utilized by investment managers that require annual approval by the Board. The following is a list of money market and fixed income funds that staff are recommending be authorized for use by the BTI and its investment managers.

- 1) Federated Hermes
  - a) Federated Hermes Government Obligations Fund (GOIXX)
  - b) Federated Hermes Institutional Prime Value Obligations Fund (PVOXX)
  - c) Federated Hermes Institutional Prime Obligations Fund (POIXX)
  - d) Federated Hermes Treasury Obligations Fund (TOIXX)
- 2) BNY Mellon Sweep Fund
  - a) Dreyfus Government Cash Management (DGCXX)

Lisa Hopkins recommended the Board approve investment in the Federated Hermes Government Obligations Fund, Federated Hermes Institutional Prime Value Obligations Fund, Federated Hermes Institutional Prime Obligations Fund, Federated Hermes Treasury Obligations Fund and the Dreyfus Government Cash Management Fund. Mark Mangano seconded. Motion carried unanimously.

VIII. Annual review and approval of Primary Dealer List – Denise – Tab 15

Denise Baker provided the annual review of the Primary Dealer List. BTI policy requires that the Board approve the Authorized Primary Dealer List annually. The approval of the Authorized Primary Dealer List operates as a formality in case the BTI were ever



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directed to execute a trade on an agency's behalf. Denise informed the Board of the following two changes:

- 1) In December 2021, BMO Capital Markets Corp. was removed from the Primary Dealer List and replaced with Bank of Montreal, Chicago Branch.
- 2) ASL Capital Markets Inc. was added to the Primary Dealer List.

Lisa Hopkins moved to recommend the Board approve the Authorized Primary Dealer List and the BTI's current investment managers to be authorized brokers for the BTI. Mark Mangano seconded. Motion carried unanimously.

**IX. Report on Sterling Capital Performance and take corrective action if necessary – Sterling Capital Management – Tab 16**

Sterling Capital including Max Anthony, Pete Brown, and Alex Harshberger provided an overview of Sterling Capital, discussed the WV Short Term Bond Pool structure and asset allocation, investment outlook, performance and strategic positioning. There were no non-compliant securities in the portfolio.

Lisa Hopkins moved to recommend the Board accept the Sterling Capital Performance Report. Patrick Smith seconded. Motion carried unanimously.

**X. Review Investment Consultant Report and take corrective action if necessary - Quarter Ended June 30, 2022 – Jeff Boucek – Segal Marco Advisors - Tab 17**

Keith Reynolds, representative for Segal Marco Advisors, provided an analysis of investment performance. As of June 30, 2022, total assets in the West Virginia Board of Treasury Investments portfolio totaled \$9.1 billion. Assets in the Money Market Pool increased by \$1.0 billion during the quarter. The Government Money Market Pool decreased \$6.6 million. Short-Term Bond Pool assets decreased \$21.6 million and the CD pool assets decreased \$30 million. The West Virginia Money Market Pool led the return of the benchmark index by 11 basis points for the quarter. Longer-term results also have the fund ahead of its benchmark for the 1, 3, and 5 year periods ending June 30. The West Virginia Government Money Market Pool led the return of the benchmark by about 3 basis points during the quarter. Longer-term results for the pool lead the benchmark for the 1, 3, and 5 year periods ending June 30. The West Virginia Short Term Bond Pool trailed its benchmark index by 24 basis points for the quarter. Longer term results for the pool were above-benchmark for the 1 and 3 year periods ending June 30. The West Virginia Bank Pool trailed its benchmark index by 2 basis points for the quarter. It led the benchmark for the 1, 3, and 5 year periods ending June 30.

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Lisa Hopkins recommended the Board accept the Investment Consultant Report for the quarter ended June 30, 2022. Patrick Smith seconded. Motion carried unanimously.

XI. Old Business

There was no old business.

XII. New Business

There was no new business.

XIII. Next Board Meeting (Tentatively Thursday, October 27, 2022)

XIV. Adjourn

There being no further business to bring before the Committee, Lisa Hopkins moved to adjourn. Patrick Smith seconded. The meeting adjourned at 11:49 a.m.

Approved by: \_\_\_\_\_

  
Dave Hardy, Chair

Minutes approved: \_\_\_\_\_

11/7/22  
(Date)

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## Personnel & Governance Committee Meeting Minutes Thursday, August 11, 2022

The quarterly Personnel & Governance Committee meeting of the West Virginia Board of Treasury Investments was held on Thursday, August 11, 2022, in the Treasurer's Conference Room, 315 70<sup>th</sup> Street, SE, Charleston, West Virginia. Keith Peck recorded the minutes.

### **ATTENDEES**

#### **Board Members Present:**

Steve Bohman, proxy for Committee Chair Riley Moore  
Dave Hardy  
Lisa Hopkins

Mark Mangano, via telephone  
Patrick Smith

#### **BTI/ STO Staff Present:**

Denise Baker  
Sarah Canterbury  
Shana Clay  
Diane Holcomb, via telephone  
Kara Hughes

Lindsay Marchio  
Keith Peck  
Karl Shanholtzer

#### **Others Present:**

Anoop Bhasin, Department of Revenue  
Keith Reynolds, Segal Marco Advisors  
Maxwell Anthony, Sterling Capital  
Peter Brown, Sterling Capital  
Austin Dunlap, Sterling Capital  
Alex Harshberger, Sterling Capital

### **AGENDA**

- I. Call to Order
- II. Roll Call – Declare Quorum
- III. Approval of Minutes of the April 28, 2022 Board Meeting
- IV. Strategic Plan Update
- V. Old Business
- VI. New Business
- VII. Next Board Meeting – (Tentatively Thursday, October 27, 2022)

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VIII. Adjourn

## MINUTES

I. Call to Order

Steve Bohman as proxy for Riley Moore, Committee Chair, called the meeting to order at 11:50 a.m.

II. Roll Call – Declare Quorum

A silent roll call was taken, and a quorum declared.

III. Approval of Minutes of the April 28, 2022 Board Meeting – **Tab 18**

Mark Mangano moved to approve the April 28, 2022, Personnel and Governance Committee Minutes as printed. Lisa Hopkins seconded. Motion carried unanimously.

IV. Strategic Plan Update – **Kara - Tab 19**

Kara Hughes presented the Strategic Plan Progress Report for FY 2022. Kara reported that the following strategic goals were completed and have been removed from the Strategic Plan: (1) formal review of Environmental, Social, and Governance (“ESG”) Investing and (2) revamping of the Investment Performance Reports.

Kara reported that the following strategic direction items were currently in progress: (1) developing an investment pool managed solely by West Virginia banks, (2) developing a Fund Prospectus for BTI Investment Pools, (3) strengthening the BTI Outreach Efforts, (4) increasing state agency education, (5) retaining and developing qualified staff, (6) evaluating the Investment Accounting System structure for improved efficiency and reporting, (7) updating the records retention schedule to incorporate current legal requirements, electronic and operational needs. Kara also stated that development of an Ultra-Short Investment Pool has been removed from the plan and re-design of the BTI Website has been added as a new goal.

Kara also discussed the BTI achievements for FY 2022 that included:

1). Consolidated Fund surpassed \$9.2B which is the largest asset size for the Consolidated Fund in state history.

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# BOARD OF TREASURY INVESTMENTS

2. Analysis of stimulus funds resulting in higher returns.
3. Analysis of Russian holdings and ability of staff to identify issues and act quickly (BTI had no direct exposure to Russian holdings).
4. Legislative improvements for the Consolidated Fund that included elimination of the Revolving Loan Program.
5. Assisting with new external auditor learning curve and receiving clean audit opinions.
6. Re-affirmation of S&P AAAM rating for the WVMM and WVGMM Pools.
7. Achieving a budget surplus since inception.
8. Achieving the ACFR Program Award for the 16<sup>th</sup> consecutive year

Lisa Hopkins moved to recommend the Board accept the Strategic Plan Update for FY 2022. Patrick Smith seconded. Motion carried unanimously.

V. Old Business

There was no old business.

VI. New Business

There was no new business.

VII. Next Board Meeting – (Tentatively Thursday, October 27, 2022)

VIII. Adjourn

There being no further business to bring before the Committee, Patrick Smith moved to adjourn. Lisa Hopkins seconded. The meeting adjourned at 11:57 a.m.

Approved by: \_\_\_\_\_



Steve Bohman, proxy for Riley Moore

Minutes approved: 11/3/22

(Date)