



## INTERSTATE COMMISSION FOR JUVENILES

### Finance Committee Meeting *Minutes*

September 24, 2013  
11:00 a.m. EDT

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#### **Committee Members in Attendance:**

1. Patrick Pendergast (AL) Chair
2. Summer Foxworth (CO) Commissioner
3. Alicia Ehlers (ID) Designee
4. Lisa Bjergaard (ND) Commissioner
5. Pat Welcome (VI) Commissioner
6. Shelley Hagan (WI) Commissioner
7. Gloria Soja (MT) Ex-Officio

#### **Committee Members Not in Attendance:**

1. Thomas Southard (IA) Commissioner
2. Gerry Prine (IA) Designee
3. Sharon Harrigfeld (ID) Commissioner
4. Phillip Cox (OR) Treasurer
5. Jeff Patnode (WA) Commissioner

#### **Guests in Attendance:**

None

#### **ICJ Staff in Attendance:**

1. Ashley Lippert, Executive Director
  2. Emma Goode, Administrative and Logistics Coordinator
  3. Jennifer Adkins, Project Manager
  4. Morgan Rhodes, Training and Administrative Coordinator
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#### **Call to Order**

- Chair Pendergast called the meeting to order at 11:02 a.m. EDT.

#### **Roll Call**

- A. Lippert called the roll. Seven of the twelve members were present; six of the nine *voting* members were present establishing a quorum.

#### **Agenda**

- **S. Foxworth (CO) made a motion to approve the agenda. S. Hagan (WI) seconded. The motion passed.**

## Minutes

- **S. Foxworth (CO) made a motion to approve the August 20, 2013 meeting minutes as presented. S. Hagan (WI) seconded. The motion passed.**

## Discussion

### *Investment Options*

- Chair Pendergast briefed on the long-term investment option presented by W. Littrel, Chief Financial Officer for the Council of State Governments (CSG) and Charles Lauderbauch, Treasurer for the Interstate Commission for Adult Offender Supervision (ICAOS), at the August 20, 2013 meeting.
- Chair Pendergast presented the following financial growth options for consideration:
  - Option One – to keep funds in a bank savings account which is currently earning 0.25% interest per year; or
  - Option Two - to invest the funds in the Council of State Government's conservative Vanguard portfolio of 60% Total Stock Market Index Fund and 40% Intermediate Bond Index Fund.
- S. Foxworth (CO) noted the positive fund balance and questioned the Finance Committee's authority to invest without approval by the full Commission. Chair Pendergast clarified that the Finance Committee would make a recommendation to the Executive Committee. The Executive Committee would then determine whether to accept, reject, or present the recommendation to the full Commission.
- P. Welcome (VI) voiced concern to solely recommending the Vanguard Investment without additional long term investment options for comparison. A. Lippert noted that CSG researched several long term investment options and determined Vanguard to be the most viable for CSG affiliates due to the historic return rate, risks, flexibility, and liquidity.
- Chair Pendergast explained the advantages of pooling funds with CSG affiliates. He defined the recommended lower dollar-cost averaging investment as a designated amount invested in monthly installments rather than one large sum.
- P. Welcome (VI) questioned the 0.75% fee and voiced concern to a possible conflict of interest with the Council of State Governments managing and investing the Interstate Commission for Juveniles funds. A. Lippert clarified the percentage to be the current indirect fee contracted with CSG noting ICJ retains discretion in the stock/bond percentage split investment.
- P. Welcome (VI) suggested additional research be conducted with the assistance of financial experts. S. Hagan (WI) commented in favor of the research, solid professional support, and advice offered by the Council of State Governments for organizations similar to ICJ as a result she was comfortable recommending the Vanguard Investment option to the Executive Committee
- A. Ehlers (ID) questioned the time frame to solicit other financial advisors. A. Lippert noted that researching additional financial advisors would be a longer process with potential costs for hiring outside consultants.
- A. Lippert shared that CSG affiliates in the Vanguard Investment earned 12 percent last year compared to less than one percent earned in a bank savings account. S. Hagan (WI) explained that by keeping money in a bank savings account, the money loses buying power because it does not keep up with inflation.
- **L. Bjergaard (ND) made a motion to recommend to the Executive Committee to recommend for approval by the Commission the CSG-sponsored Vanguard portfolio long term investment option as a dollar cost averaging of \$240,000 over 12**

**months at \$20,000 per month, beginning December 2013 and to consider continuing to investment amounts in excess of 100 percent of the annual expenses in this portfolio in the future. S. Hagan (WI) seconded. P. Welcome (VI) abstained. The motion passed.**

*2013 Budget Update*

- Chair Pendergast presented the fiscal year 2014 update through August 31, 2013. The budget is on track with two months into the 2014 fiscal year
- The Finance Committee reviewed all line items noting expenditures for the Annual Business Meeting and the Rules Committee face to face meeting at the beginning of the year. A. Lippert added that the collection of dues is on track and the Executive Committee approved the \$5,400 for the JIDS performance test.

**Old Business**

There was no old business.

**New Business**

There was no new business.

**Adjourn**

- **S. Foxworth (CO) made a motion to adjourn. S. Hagan (WI) seconded. The motion passed. Chair Pendergast adjourned the meeting at 11:39 a.m. EDT.**