



**NC ABE**

National ABE Alliance Member



*Dale R. Folwell, CPA*  
STATE TREASURER OF NORTH CAROLINA  
DALE R. FOLWELL, CPA

**DRAFT MINUTES**  
**NC ABE PROGRAM BOARD OF TRUSTEES**

The regular quarterly meeting of the NC ABE Program Board of Trustees was called to order at 2:00 p.m., November 19, 2019, by the Chair, State Treasurer Dale R. Folwell, CPA. The meeting was held in the Dogwood Conference Room of the Longleaf Building at 3200 Atlantic Avenue, Raleigh, NC, 27604. The Chair indicated there would be a public comment period for organizations and individuals to address the Board later in the agenda.

**Members Present**

The board members present were: Treasurer Dale R. Folwell, CPA, Chair; Ray Grace (via teleconference); Melinda Plue (via teleconference); Marquita Robertson.

**Members Absent**

Kody Kinsley and Ben Wright were absent.

**Guests Present**

The guests attending were: Cheryl Walfall-Flagg from ABE National Resource Center. Chris Catanese, Rich DeSilva and Paul Souppa from Ascensus (via telephone) and Jada Haynes from The Collaborative.

**Department of State Treasurer Staff Present**

The staff members present were: Mary Buonfiglio, Tom Causey, Reid Chisholm, Chris Farr, Christy Farrelly, Alex Ferguson, Ben Garner, Patti Hall, Brian Jackson, Rekha Krishnan, Fran Lawrence, Frank Lester, Loren de Mey, Maja Moseley, Dan Way.

The Chair introduced Ms. Farrelly, the Department's Communications Manager, and Ms. Ferguson, the SRP and NC ABE Communications Officer.

**Ethics Awareness and Identification of Conflicts or Potential Conflicts of Interest**

The Chair asked, pursuant to the ethics rules, about conflicts of interest of board members. No conflicts of interest were identified by the board members, except as noted below.

Ms. Robertson stated that The Collaborative, a non-profit organization where she is employed as the Executive Director, previously received a grant from the NC Council on Developmental Disabilities to fund a training program that is also supported by the NC ABE Program through the provision of content. Ms. Robertson noted that she will recuse herself from any current or future discussion regarding the project.

**Approval of Minutes**

The Chair entertained a motion to approve the minutes of the August 14, 2019, NC ABE Program Board of Trustees meeting, and Mr. Grace so moved. Ms. Plue seconded, and the motion passed unanimously.

### **Review and Approval of Board Charter**

The Chair recognized Mr. Chisholm who summarized the revisions to the Board Charter and noted that the document is similar to the one used for the Supplemental Retirement Plans; however, its content was adapted to the NC ABLE Program.

The Chair entertained a motion to approve the Board Charter as drafted and Ms. Robertson so moved. Ms. Plue seconded, and the motion passed unanimously.

### **Budget Proposal for 2019-2020**

The Chair recognized Ms. Buonfiglio, who noted that the budget has not yet been confirmed by the NC General Assembly and all assumptions are being carried forward from the prior year's budget. She discussed the level of appropriations, receipts and projected expenditures. She also highlighted the new allocation for the position of Hiring and Outreach Program Coordinator.

Following the presentation, the trustees discussed the new Program Coordinator position in detail and considered a future administrative fee "holiday" as permitted by the master recordkeeping agreement.

The Chair entertained a motion to approve the 2019-20 Administrative Budget proposal and Mr. Grace so moved. Ms. Plue seconded, and the motion passed unanimously.

### **Communication and Outreach Update**

The Chair recognized Ms. Farrelly, who shared the communications efforts during the quarter. She highlighted the cooperation with the Department of Health and Human Services with regards to the mandatory training module release, described the results of NC ABLE members' survey (97 percent of responders would recommend the Program to others), and discussed the media outreach and the creation of "digital toolkit" for business and community partners. She also noted the upcoming five-year anniversary of the ABLE Act.

### **Administrative Update**

The Chair recognized Mr. Catanese who thanked the board members and the staff for having worked together and introduced his successor, Mr. DeSilva. Mr. DeSilva described his background and relevant experience, noting that the smooth transition of client service duties is his priority. He provided an overview of the quarterly administrative activities, including account and contribution information, eligibility types as well as an update on newly opened and recently closed accounts the later part of the month; he added that in terms of assets, the NC ABLE program is ranked fourth within the National ABLE Alliance, and the checking account option is still the most popular investment choice. Mr. Catanese focused on a new slide, added at the request of the board members, which lists program appropriations by state.

Next, Mr. Catanese introduced Mr. Souppa, who focused on the quarterly and the annual performance of the program's investment options, noting positive performance for all portfolios and solid one-year returns. He added that the three-year performance period will be available for the upcoming January 26, 2020 anniversary of the Program. Mr. Souppa also discussed the performance and benchmarks of the funds underlying the investment options.

Mr. Chisholm stated that Ascensus is permitted to terminate its recordkeeping contract with the Alliance if the Alliance has fewer than 25,000 accounts by the end of the third year of existence, which is December 2019. He noted that Ascensus has provided a verbal assurance earlier this year that it does not expect to exercise its termination right, despite the expected shortfall in accounts. The Alliance will continue to seek a written amendment to the contract to continue services despite the termination provision.

## **Board of Trustees Comments**

### **Public comments**

No public comments were offered.

### **Adjournment**

There being no further business before the Board, The Chair made a motion to adjourn in honor and memory of late North Carolina Senator Kay Hagan. Ms. Plue seconded, and the meeting was unanimously adjourned at 2:41 p.m.

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Chair

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Secretary