



THE COUNCIL OF STATE GOVERNMENTS  
2009 SPRING CONFERENCE

FINANCE COMMITTEE  
Coeur d'Alene Golf & Spa Resort  
May 16, 2009  
Coeur d'Alene, Idaho

MEETING SUMMARY

Presiding:

Co-Chair: Representative Maxine Bell, Idaho  
Co-Chair: Representative Bob Damron, Kentucky

**Members in Attendance**

Representative Maxine T. Bell, ID  
Senator Steve Buehrer, OH  
Representative Jose Campos, NM  
Representative Robert R. Damron, KY  
Senator Bart M. Davis, ID  
Treasurer Dan Ebersole, GA  
Mr. Craig Hall, MA  
The Honorable Bob C. Hunter, NC  
Representative Kim Koppelman, ND  
The Honorable Kenneth D. McClintock, PR  
Senator Stephen Morris, KS  
Ms. Mary Regal, WI  
Ms. Patricia Tobias, ID  
Senator Jeff Wentworth, TX  
Senator David L. Williams, KY  
Representative Richard Wills, ID  
Representative Kevin W. Yoder, KS

**Guests in Attendance**

David Adkins, CSG  
Kent Briggs, CSG-WEST  
Colleen Cousineau, CSG Southern Office  
Diane Duff, Southern Governors Association  
Pat Dunaway, CSG  
Cheryl Lee Duvauchelle, CSG-WEST  
Steve Gregory, CSG  
Wendell Hannaford, CSG Eastern Office  
Becky Harilson, KY  
Marge Kilkelly, CSG Eastern Office  
Senator Sue Landske, IN  
Wade Littrell, CSG  
Mike McCabe, CSG Midwest Office  
Representative Jeff Morris, WA

John Mountjoy, CSG  
Liz Porter, Southern Governors Association  
Mike Robinson, CSG  
Edgar Ruiz, CSG-WEST  
Mike Smith, CSG Washington DC Office  
Kevin Wallace, CSG  
Chris Whatley, CSG Washington DC Office

The meeting was chaired by Co Chairs Representative Maxine Bell and Representative Bob Damron.

Representative Bell welcomed the committee and outlined the objectives of the meeting which were:

- Review the Fiscal Year 2009 financial statements through March.
- Review and take action on the Fiscal Year 2010 proposed budget.
- Review the performance of the long term investment portfolio per the report of the investment subcommittee.

A motion was made to approve the December 4, 2008 Finance Committee minutes from the annual meeting in Omaha, NE. The motion was seconded and unanimously approved.

Representative Bell called on Wade Littrell, CSG CFO, to review the FY 2009 HQ/DC financials through March 31, 2009. Mr. Littrell did a brief power point presentation on the budget through March explaining that the FY 2009 operating budget was a balanced budget and management anticipated the operating budget to end the year on target with the potential of a small surplus. Anticipation of investment losses, that are not budgeted in the operating account, would likely result in a net loss for the year.

Treasurer Dan Ebersole, GA, presented the report from the Investment Subcommittee. Treasurer Ebersole reported that the long term investments were down -16.87% for the fiscal year as of April 30. He commented that in light of the current market the loss was in line with expectations and due to the structure of the portfolio the loss was mitigated and could have been significantly more. He reported that the Subcommittee had evaluated the HQ/DC cash flow and reserve needs, the allocation of the reserve that was in cash and long term investments and the allocation of the portfolio between equities and fixed income instruments. The subcommittee did not recommend any actions be taken at this time and will closely monitor the portfolio and reserve needs.

Representative Bob Damron introduced the FY 2010 HQ/DC proposed budget noting the budget incorporated a \$612,000 revenue shortfall due to the economy. Representative Damron noted that HQ/DC had built up adequate reserves over the years and was in a good position to be able to tap the reserve funds to allow the Council to maintain full operations and services to states in tough economic times.

Representative Damron called on David Adkins, Executive Director/CEO of the Council to comment on the budget. Mr. Adkins reasserted the importance of maintaining the high level of state services during this economic downturn and the role of the reserve fund in allowing that to happen. He reported that the reserve fund was built up over many years with funds other than

states dues dollars. State dues dollars, along with additional funds developed by the Council, are expended on state services in the year they are received.

Representative Damron called on Wade Littrell to elaborate on the budget. Mr. Littrell explained that should the entire \$612,000 shortfall be needed from the reserve for FY 2010 the HQ/DC reserve would still have a forecasted reserve balance of \$1,512,000 at the end of the year that would position the Council for the potentially slow economic recovery of future years.

A motion was made to approve the CSG HQ/DC FY 2010 budget as presented, seconded, and unanimously approved.

The CSG Regional Directors reported on their respective regions noting that state budgets would present a challenge for some dues collections for FY 2010 and FY 2011.

There being no other business the Finance Committee was adjourned.