

**Finance Review Committee
July 13, 2016
Myrtle Beach Area Chamber of Commerce
Boardroom 2:00 p.m.**

Committee Attendees: Billy Huggins, Kenny Generette, Joel Foster, Lynn Kornita, Ken McKelvey, David Meese, David Olive

Other Attendees: David Barton, First Guarantee

Staff: Jim Wright, Nancy Maloney, Susan Giaquinto

- I. **Call to Order 2:20 p.m.** **Billy Huggins**
- II. **Approval of Minutes** – Mr. Ken McKelvey made a motion to accept the minutes for the May 11, 2016 meeting as presented. That motion was seconded by Ms. Lynn Kornita. The motion was approved.
- III. **Unfinished Business**
- A. **Recommendation of Replacement of Investment for 401(k)** – In follow up to his presentation at the May 11th FRC meeting, Mr. David Barton, SVP, First Citizens Bank, presented his recommendation to replace the existing AB Discovery Growth Advisor fund with the Janus Enterprise T fund. Both funds are in the Mid-Cap Growth group, but the Janus fund has performed consistently better than the current fund. After a brief discussion, Mr. Ken McKelvey made a motion to move from the AB Discovery Growth funds to the Janus funds. The motion was seconded by Mr. Joel Foster. The motion passed unanimously.
- B. **Chamber Reserve Policy Statement** - Mr. Jim Wright provided the Committee with an analysis of targeted reserve levels needed to sustain the organization for periods of 12- 18- and 24- months following a major catastrophic event. The Committee discussed at length the need for and importance of adequate reserves and the best method to ensure continued funding to grow the Chamber’s reserves to targeted levels, with the primary objective of sustaining the organization thus allowing it to support the community in its post-disaster recovery efforts. The Committee further discussed the “optics” related to the prudent accumulation of such reserves, with suggestions that better and further disclosure of their need and purpose be incorporated into the organizations audited financial statements and other appropriate documents and communications.

Mr. Ken McKelvey then made a motion to establish a contingency reserve sufficient to sustain the organization’s operations for a period of not less than 12 months immediately following a catastrophic event (and assuming the catastrophic event occurred in the third quarter of the Chamber’s operating year). Mr. McKelvey’s motion further included the recommendation that a specific line item be added to the Chamber’s annual budget to facilitate the funding of the targeted reserves within five years. Lastly, Mr. McKelvey’s motion recommended that the organization’s bylaws be amended to incorporate this reserve “policy”, giving recognition to the Board of Director’s fiduciary responsibility to ensure the long-term viability and survival of the

Myrtle Beach Area Chamber of Commerce. The motion was seconded by Lynn Kornita. The motion passed unanimously.

IV. New Business

- C. Review of June 30, 2016 Financial Statements** – Mr. Jim Wright reviewed the June 30, 2016 financial statements and the associated Management Discussion and Analysis, noting trends and variances.
- D. Status of Search for EVP of Finance** – Mr. Jim Wright notified the Committee that a search was started the first part of June to find a replacement for the EVP of Finance position. Phone interviews were conducted with four candidates, and three have been moved forward to on-site interviews. From there, at least two candidates will be selected to return for the final interview with Mr. Brad Dean, CEO & President, and other Senior Staff members. Mr. Wright indicated that he will continue to be available through the end of September to assist the selected candidate in the transition to EVP of Finance.
- E. Adjournment @ 3:30 PM** **Billy Huggins**
Mr. Ken McKelvey made a motion to adjourn the meeting @ 3:30 p.m. The motion was seconded by Ms. Lynn Kornita. The motion passed unanimously.