

**Finance Review Committee
July 14, 2015
Myrtle Beach Area Chamber of Commerce
Boardroom 2:00 p.m.**

Committee Attendees: Wayne Morris, Billy Huggins, Lynn Kornita, David Olive, Jory Taylor, Tim Vogel, David Meese

Staff: Jim Wright, Elaine Morgan Weidman, Susan Giaquinto, Nancy Maloney

Outside Presenters: David Barton, SVP First Citizens Bank & Trust

- I. **Call to Order 2:00 p.m.** **Wayne Morris**
- II. **Approval of Minutes** – Billy Huggins made a motion to accept the minutes for the May 14, 2015 meeting as presented. That motion was seconded by Jory Taylor. The motion was approved.
- III. **Old Business –MBACC 401(k) Plan Amendment Update** –David Barton, SVP First Citizens’ Bank – the Plan’s Investment Fiduciary Advisor, detailed his actions and follow-up communications with Fidelity and an ERISA attorney for advice on the options available to remedy the oversight made by Fidelity, that resulted in certain approved plan amendments not being incorporated into the plan document as of January 1, 2015. Option #1 - File a petition with the IRS to make the plan changes retroactive to January 1, 2015. Option #2 – Force Fidelity to amend the plan and risk the IRS auditing the plan. Option #3 - Instruct Fidelity to implement the five items remaining effective January 1, 2016, which is the most prudent option. Prior to the next Board of Directors meeting on Tuesday, July 21, 2015, David will send the Committee written documentation summarizing his discussions with the ERISA attorney.

Jim handed out a page from the April 11, 2014 FRC Minutes outlining the seven approved amendments (see attached.) Jim Wright advised the Committee that five of the seven 401k amendments approved at the April 11, 2014 FRC meeting and approved by the Board of Directors on April 17, 2014 had not been implemented by Fidelity – the Plan’s Trustee. Jim further reported four new employees hired between July-September 2014 would have to delay enrolling from October 1, 2015 to January 1, 2016. The approved change to allow employees to enter the plan on a quarterly basis (entry is currently limited to semi-annual) was one of the five amendments that had not been implemented by Fidelity.

If Option #3 is implemented, the four employees would lose the availability of investing for three months in 2015, and the Chambers’ match of up to 5%. After extensive Committee discussion of how to make the four employees “whole,” the Committee tasked David to work with the ERISA attorney to obtain guidance relative to this remaining element of the matter.

Billy Huggins made a motion to approve Option #3 - Instruct Fidelity to implement the five items remaining effective January 1, 2016 to protect the safety of the Plan. The motion was seconded by Lynn Kornita. The motion was approved. Jim Wright will apprise the Board of Directors at its July 21, 2015 meeting of the Committee’s recommendation to implement the remaining five of the seven 401k amendments effective January 1, 2016, and seek their concurrence and approval.

IV. New Business

- A. Investment Update – MBACC Educational Foundation** – Jim Wright updated the Committee on MBACC Educational Foundation funding and presented Edward Jones Investment Statements on the funds. Jory Taylor noted that the current investment allocation approximates 65 percent bonds/treasuries and 35 percent equities and considering the current economic status, the investment managers overseeing the funds, were not concerned about the short-term fund depreciation. He reminded the Committee that until a pattern is developed, the statements were a “snapshot” and did not reflect the recent changes that took place in Greece and China. Jim Wright provided further information about the funding of the foundation. The Chamber is in the process of moving the Foundation from a “public charity” to a “private foundation” as prescribed by tax law – the attorneys are working through the paperwork at this moment. As a result, the Chamber has had to temporarily suspend scholarship payments from the Foundation until the IRS filings are completed.
- B. Review of 6-30-15 Financial Statements** – Jim Wright reviewed the June 30, 2015 financial statements and the associated Management Discussion and Analysis, noting trends and variances. A brief discussion was held regarding the line of credit.

V. Adjournment 2:50 PM

Wayne Morris