

South Dakota Public Deposit Protection Commission
Meeting Minutes

Friday, August 23, 2019
10:00 a.m.

Division of Banking
1601 N. Harrison Ave., Ste. 1
Pierre, SD 57501

Division of Banking
1500 W 51st Street, Ste. 102
Sioux Falls, SD 57105

- A) Bret Afdahl called the meeting to order at 10:00 a.m.
- B) Present at the Meeting were Public Deposit Protection Commission Members Bret Afdahl, Director of Banking and Josh Haeder, State Treasurer. Also present were Mike Dummer, Deputy Director of Banking, Brock Jensen, Counsel for Banking, Melissa Hull, Supervisor of Banking for the State Treasurer, Sarah Rankin, Director of Marketing and Communications SD Municipal League, Toni Kenefick-Ashoff, Finance Officer for State Treasurer, Delaine Campbell, Senior Secretary for Banking, Curt Everson, President of the South Dakota Bankers Association, Kent Johnson, Senior Vice President of PMA Finance Network, Bob Frieberg, Counsel for SDFIT, Tarin Smallfield, Bank Examiner, Morgan Kronaizl, Bank Examiner.
- C) Approval of minutes from July 15, 2015 meeting.

Motion: Director Afdahl moved to approve.

Approved by the following Action 2-0 (Afdahl & Haeder)

- D) SDCL Chapter 4-5 and SDCL Chapter 4-6A and their relation to South Dakota public deposits.
Counsel Jensen gave a description as to how SDCL Chapter 4-5 and SDCL Chapter 4-6A apply to protect public deposits in South Dakota. Kent Johnson then gave a detailed description as to the origins and operations of the South Dakota Public Funds Investment Trust. Curt Everson asked several questions related to the annual audit of the South Dakota Public

Funds Investment Trust. Kent Johnson answered Curt Everson's questions on behalf of the South Dakota Public Funds Investment Trust. Counsel Jensen and Director Afdahl described how public funds held in qualified public depositories are continuously monitored for compliance with South Dakota law, while it did not appear that public funds held in the South Dakota Public Funds Investment Trust were subject to the same continuous monitoring. Further, Director Afdahl stated that it did not appear that the South Dakota Public Deposit Protection Committee is able to take action related to public funds invested in the South Dakota Public Funds Investment Trust if a loss in the fund occurs, while the South Dakota Public Deposit Protection Committee is able to take action related to public funds held in qualified public depositories if a loss occurs. Kent Johnson stated that the risk of loss is disclosed to all public entities that participate in the South Dakota Public Funds Investment Trust.

E) Industry Comments
See above discussion.

F) Public Comments
None.

G) Future meeting frequency
Director Afdahl and Treasurer Haeder discussed meeting frequency and the process for meeting minutes approval. Suggestions were made to schedule the next meeting in late March or early April 2020, and every August following. Treasurer Haeder stated that his office intended to make some changes to the quarterly reporting system and suggested that he would give an update on the changes at the next meeting in March or April. Director Afdahl and Counsel Jensen stated that they would investigate whether it is possible to approve meeting minutes outside a public meeting.

H) Adjourn the meeting

Afdahl moved to adjourn the meeting at 10:48 a.m.

Approved by the following Action 2-0 (Afdahl & Haeder)