

Advocates for Academic Excellence in Education, Inc.
(Benjamin Franklin High School)
Minutes of Special Finance Committee Meeting
Library Hall
Wednesday, April 10, 2024, 4:00 PM

1. Call to Order - Meeting was called to order at 4:05pm

2. Roll Call - Present were Jill Condon, Treasurer; Alea Cot, President; Jonathan Levy; attending via Zoom due to weather concerns were Jeffrey Seymour and Anu Varadharajan. Richard Chen, FOF Board Member was also present over Zoom. From BFHS Alex Jarrell and Andrea Perkins were present. Special guest David Butscher from the Morgan Stanley/Spiro Group was present.

3. Approval of Agenda - Approved unanimously

4. Information / Discussion
 - A. Proposal by David Butscher of Morgan Stanley/Spiro Group to manage BFHS excess cash/funds - Mr. Butscher introduced himself and gave brief information about the Spiro Group at Morgan Stanley. He reviewed several handouts detailing low risk investments appropriate for AAEE based upon or risk tolerance and their current yields, primarily US Treasury Bills. Cash from these fixed income instruments can be available within 24 hours if needed and no fees will be charged to liquidate. This investment account will be linked to an operating cash account of BFHS to easily move funds as needed. As per the NOLA-PS requirements, a minimum of 60 days of expenses must be held as cash reserves in instruments considered cash and cash equivalents (maturities of 3 months or less). We discussed having two accounts for AAEE – one for the NOLA PS 60 days cash reserve (invested with less than 3 mo maturity) and one for the additional reserves that can have a longer maturity. In addition, a separate account will be held for Friends of Franklin.
Per Mr. Butscher, current yields on short term treasury bills are ~5.15%; Morgan Stanley fees will be 35 bp on funds invested (.35%) with them.
Mr. Butscher left the meeting at 4:45pm. The Committee and management all agreed they were very comfortable with Morgan Stanley and would like to move ahead with engaging them to invest AAEE cash reserves.
 - B. Review draft investment policy and current operating reserves policy – the committee discussed the draft investment policy and a more comprehensive one that was drafted several years ago provided by Alea. Jonathan will revise the policy to combine the two policies and ensure listed investment options are approved under LA statutes. Jill also noted that the cash reserves policy will need to be updated as it currently only allows for holding cash and cash

equivalents and not investments with a longer maturity than three months. A draft of these policies will be sent to the committee early next week for the draft policy can be presented to the Board on 4/18. The Committee asked Alex and Andrea to determine how much should stay in the operating account and how much should be available to invest with Morgan Stanley.

5. Action Item – the FC will recommend Morgan Stanley as the investment manager and will present a revised investment policy/operating reserves policy to the Board on 4/18

6. Adjourn – the meeting was adjourned at 5:30pm. (Note that the Zoom dropped Jeffrey, Anu and Richard at 5pm; Richard did call back into the meeting.)