



MARC

Mid-America Regulatory Conference Inc.

President: Steve Kolbeck, South Dakota

Vice President: Krista Tanner, Iowa

Treasurer: Colette Honorable, Arkansas

Secretary: Carolene Mays, Indiana

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IOWA

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MINNESOTA

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WISCONSIN

MARC 2011 Commissioner Only Retreat January 15, 2011 San Antonio, TX

The following MARC Commissioners were in attendance at the January 15 meeting:

Olan Reeves	Arkansas	Jeff Davis	Missouri
John Colgan	Illinois	Kevin Gunn	Missouri
Erin O'Connell-Diaz	Illinois	Terry Jarrett	Missouri
Sherman Elliott	Illinois	Anne Boyle	Nebraska
Manuel Flores	Illinois	Tony Clark	North Dakota
Lula Ford	Illinois	Valerie Lemmie	Ohio
Larry Landis	Indiana	Steve Lesser	Ohio
Darrell Hanson	Iowa	Bob Anthony	Oklahoma
Krista Tanner	Iowa	Dana Murphy	Oklahoma
Ward Loyd	Kansas	Gary Hanson	South Dakota
Thomas Wright	Kansas	Steve Kolbeck	South Dakota
Orjiakor Isiogu	Michigan	Chris Nelson	South Dakota
David Boyd	Minnesota	Donna Nelson	Texas
Dennis O'Brien	Minnesota	Mark Meyer	Wisconsin

Call to Order:

The meeting was called to order by President Kolbeck at 9 a.m.

Welcome New Commissioners and Introductions:

President Kolbeck welcomed and introduced new MARC commissioners, Steve Lesser and Chris Nelson.

Minutes and Secretary's Report:

The minutes from the MARC Business Meeting at the NARUC Annual Meeting were not available. The minutes will be reviewed at the upcoming MARC meeting in February.

Treasurer's Report:

Cindy Kemnitz from South Dakota was introduced as the new MARC staff treasurer. Ms. Kemnitz distributed the treasurer's report and offered to answer any questions regarding the report.

2010 MARC Kansas City Report:

Past President Jeff Davis distributed the final financial summary from the 2010 MARC Conference in Kansas City. At the conclusion of the conference, Missouri was able to return the \$20,000 seed money plus a profit of \$39,715.82.

President's call for next MARC Business Meeting:

The next MARC business meeting will be held on Tuesday, February 15, 2010, at the NARUC Winter Meeting in Washington, D.C.



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MARC 2011 Annual Meeting:

The 2011 Annual Meeting will be held June 5-8, 2011, at the Ramkota Hotel in Rapid City, South Dakota. President Kolbeck previewed the fun events he has planned for the conference, such as the golf tournament and a trip to the Crazy Horse memorial.

New Business:

Treasurer position. President Kolbeck again noted that pursuant to the by-law changes enacted at the November 2010 MARC meeting, a staff treasurer position was created to ensure continuity in treasurer duties.

MARC Commissioners-Only Meeting 2012. Cindy Munyon from the Iowa Utilities Board staff presented information about the Driskill Hotel in Austin, Texas. Ms. Munyon updated the commissioners on her efforts to secure a favorable two-year contract with the Driskill Hotel for the 2012 and 2013 commissioners-only retreats. The Commissioners were supportive the decision to move the retreat to Austin and to hold the retreat at the Driskill Hotel.

Status of the New MARC Secretary. President Kolbeck noted that Commissioner Carolene Mays was the new MARC Secretary. President Kolbeck further noted that Commissioner Valerie Lemmie had agreed to serve as Secretary for the term beginning in June 2011.

Finances and Investments. Commissioner Bob Anthony gave a presentation on the current status and the performance history of MARC investments. Based on the unsatisfactory performance of the MARC investments and the poor customer service MARC has received from Wells Fargo Advisors, Commissioner Anthony made the following recommendations:

1. Transfer Wells Fargo account to a low cost broker (e.g. Schwab, Fidelity, Ameritrade)
2. Change individual investments
 - a. Move mutual funds to ETF index funds
 - b. Evaluate risk of EVF and WSF; move to lower risk investments
 - c. Seek moderate to low risk level (current risk level is high)
 - d. Minimize 12-b1 and load expenses (replace mutual funds with broadly diversified ETF index funds such as IVV (S&P 500), IEF (10 year treasury))
 - e. Minimize conflicts of interest (for example, little or no AT&T or Verizon debt or equity)
3. Review investment policy, perform annual rebalance
4. Asset class allocation for MARC investment account
 - a. 10% cash; 50% equities; 40% fixed income (diversified, short maturity)
 - b. With a \$130K account, keep it simple

The commissioners discussed Commissioner Anthony's proposals. Commissioner Anthony made a motion to authorize the MARC Executive Committee, by majority vote of the Executive Committee, to change the MARC investments custodian and investment broker, to make investments as they see fit, and to advise MARC commissioners as those changes are made. Commissioner Kevin Gunn made the friendly amendment, accepted by Commissioner Anthony, that the MARC Executive Committee could seek input and advice from other MARC commissioners at their



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discretion. Commissioner Valerie Lemmie seconded the motion as amended. Pursuant to the motion, the Commissioners created an investment committee to advise the MARC Executive Committee. The investment committee will be comprised of Commissioners Gary Hanson, Larry Landis, Valerie Lemmie, and Sherman Elliot.

Motion to Adjourn:

The meeting was adjourned at 9:50 a.m.