

Boys & Girls Club of Chaffee County (BGCCC)
Minutes of the Investment Committee
August 7, 2023

Attendees: Board Chairperson Duncan Campbell; Committee Members Tom “Jake” Jacobson, John McGowan, Jan Schmidt and Dan Shore; Staff Member Brian Beaulieu

This “hybrid” meeting of the investment committee was held using Google Meets with Duncan and Brian participating from the Salida club and others in their respective locations. It started at 5:00pm.

Meeting Agenda:

1. Format of report to be presented to the board

John had entered the funds held in the endowment in a tool he uses for clients and offered to share this view of the investments with various graphs of the investments and benchmark comparisons. The committee unanimously agreed this tool would be an effective way to present to the board at the end of the month.

Current holdings have shifted to 52% stock and 48% fixed income or cash (vs. the 50/50 target).

Dan Shore said it is also important to know what we are paying for these investments, and John said it was .32%.

John shared projected returns for a portfolio invested 50/50 (5.3%) vs 60/40 (5.7%) in stocks vs fixed income. The endowment returned more than the benchmark John used.

The committee was comfortable staying with a 50/50 mix. Dan Shore said he thought there is now more opportunity in fixed income. Jake said exactly the same thing – this would be the time to invest more in fixed income. The committee plans to invest more in fixed income to get the portfolio back to a 50/50 mix.

Jake added that the S&P had returned 15% and the Board may wonder why we didn’t return more.

2. Review of current funds held

Jake recommended cutting back the holdings in TIPS. A motion to sell 50% of the current holding in TIPS was made by Jake and seconded by Dan. It was approved unanimously. Jan will execute this trade.

3. Discussion of any changes in existing investments

Jan pulled up a report from Fidelity showing the Morningstar ratings of the funds currently held. Committee members discussed that these ratings are based on historic returns and not future expectations. There was also some discussion of an active vs passively managed bond fund. Further discussion is expected before finalizing the investment plan for the new funds designated by the board for the quasi endowment.

4. Plan for investing the fiscal year 2022-2023 operating surplus (approved by the board, but amount yet to be determined pending final numbers)

Jan said that the draft FY 23 financials reported a surplus of \$258k but year end entries (such as depreciation estimated at over \$50k) had not yet been posted. Further discussion will be needed once the numbers are finalized, and funds have been transferred from the operating account to the endowment account.

5. Replacement committee member for Duncan who will be resigning from the board and our committee in October

Jan said she met with Jared Buchan that afternoon and was impressed with his background and interest in serving the community. She hoped to receive a committee application form from him and receive support for a board appointment to the Investment Committee to replace Duncan.