

Boys & Girls Club of Chaffee County (BGCCC)
Minutes of the Investment Committee
June 9, 2021

Attendees: Board Chairperson Duncan Campbell; Committee Members Art Gentile, Tom Jacobson, Jan Schmidt (Finance Committee Chair) and Dan Shore; Staff Member Brian Beaulieu

1. May Minutes

Jan provided minutes from the first meeting of the Investment Committee held on May 11, 2021. Art made a motion to approve; Dan seconded the motion and it carried unanimously.

2. Brokerage Firm Recommendations

Dan Shore distributed talking points for discussion of two brokerage firms. He recommended opening an account with Vanguard and noted the following:

- They do not offer personal advisor services to entities with an EIN
- As a workaround they could still work with us by having their investment associates help us with setting up an allocation plan. They would not, however, be assigned to the account on an ongoing basis.
- The biggest advantage of working with Vanguard is cost. There would be no annual fee and the only cost would be the expense ratios of the underlying investments. Depending on whether we went with passive or active strategies those fees for be anywhere between 1/10 to 1/2 percent.

Dan said a Vanguard investment associate could help select appropriate investments when the account was being set up. Committee members will all try to participate on a call to do this.

Dan also discussed the economics of an advisory account. He said they tend to be targeted toward wealthier investors typically with over \$500,000 of investable assets. The challenge with only \$50,000 to invest at a 1% fee, allows the firm to only make \$500 a year. The question then becomes what personalized services can they offer for such a nominal fee. Will the investor really be getting customized advice and service or simply an off the shelf solution.

The committee members unanimously supported opening an account at Vanguard. Jan will take this recommendation to the board for approval at the June29 meeting.

3. Asset Allocation Plan

Jan had prepared an asset allocation worksheet for discussion. Jake noted his understanding that the endowment was the only portion of the Club's cash that was available to invest in anything other than FDIC insured instruments. He suggested changes to the investment goal in the policy, which is probably not realistic. Jan said she wanted to work with the policy for a while and accumulate recommended changed rather than take to the board piecemeal. Jake also suggested starting with an S&P fund and bond allocation fund. It was decided to table this discussion until the Vanguard account was established and an associate there could help walk the committee through investment selection.

4. Additional Committee Member

Dan spoke to his former co-worker who he believes is moving to Buena Vista and is still considered a potential future member to recruit. A few other potential prospects were briefly discussed.

5. Volunteer Forms to complete

Jan revised the BGCCC's Code of Ethics to add volunteers. A copy was distributed to and signed by Dan and Art and handed to Brian. A copy will be emailed to Jake.

6. Next steps / Meeting wrap Up

Next meeting is planned to be the conference call to set up the Vanguard account.

The meeting concluded at approximately 6:30 pm

Minutes submitted by Jan Schmidt

DRAFT