

Boys & Girls Club of Chaffee County (BGCCC)
Minutes of the Investment Committee
January 6, 2022

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

1. The investment committee meeting was held online and started at approximately 5:00pm.
2. Investment Possibilities – Capital & Operating Reserve

Jan reviewed the allowable types of investments per the BGCCC policy (Bank savings account, money market account, CDs, US Treasury Instruments) and asked what committee members thought about asking the board to expand the allowable investments to achieve greater returns while continuing to focus on lower risk investments (such as municipal bonds or bond funds, corporate bonds or bond funds). Of the current options (CDs and US Treasuries), there are essentially no higher returns for CD investments between 3 months and 1 year, US Treasuries show higher returns in the 1 to 3 year term.

After some discussion of municipal bonds rated AA, prohibiting investments in an individual issue and never for than 10% in a single bond, the committee decided it was best to keep the current limitations in place.

3. Investing the operating reserve and
4. the initial BV Capital Campaign contributions

The committee decided upon the following investment plan for agenda items #3 and #4

- Operating Reserve - \$367,750 (updated for FY 21-22 operating budget)
 - \$217,750 (~60%) in 3 month CDs
 - \$75,000 (~20%) in 1-year US Treasuries
 - \$75,000 (~20%) in 2-year US Treasuries
 - Rationale
 - Clubs currently are operating at a surplus
 - Six month (vs three month) reserve is conservative
 - Need for all operating reserve is very unlikely; any need would likely allow time to reach maturities; worst case, can liquidate with risk of some loss
- BV Capital Campaign - \$500,000 from Chaffee County DHS
 - \$300,000 (60%) in 3-month CDs
 - \$100,000 (20%) in 1-year US Treasuries
 - \$100,000 (20%) in 2-year US Treasuries
 - Rationale: Not breaking ground for over a year and payments will extend over the construction period; additional monies will be coming in this year when campaign officially kicks off
- Upon maturity, will rollover funds into new 3-month CDs unless spread increases to 50% or more with 6-month or 9-month CDs

5. Stock Donations

Committee members were unanimously in favor of holding the Exxon Mobil stock donated at year end (valued at approximately \$5,000).

6. Investment Policy – other proposed changes

The committee did not feel any changes were needed to the policy adopted by the board last year.