

**Boys & Girls Club of Chaffee County (BGCCC)**  
**Minutes of the Investment Committee**  
**September 6, 2023**

**Attendees:**

Committee Members Jared Buchan, Duncan Campbell, Tom “Jake” Jacobson, John McGowan, Jan Schmidt; Staff Member: Brian Beaulieu

**Meeting Agenda:**

1. Approval of Minutes from August 7, 2023 meeting

A motion to approve the minutes was made by John and seconded by Duncan. It was approved by four members who attended the meeting. There were no dissenting votes. Jared abstained from voting due to not yet being a member of the committee as of that date.

2. Discussion of Endowment Investment Plan

The investment plan discussion was focused on the fixed income portion of the portfolio. John asked why the endowment is invested in multiple bond funds with the same objective. He talked about the expense ratios and duration of the funds, as well as the ESG (environment, social and corporate) rating of the existing funds. Jake brought up using a managed ETF as an option.

Jared asked if the committee had established parameters for reviewing funds. This has not been done. He also stated that the committee cannot pass fiduciary responsibility to the fund managers. John talked about what he considers before recommending investments, such as the age and size of the fund.

It was agreed that the investment policy statement needs to include a framework for evaluating funds. The committee and board also need to understand and incorporate the Prudent Investor Act.

The 40 bp expense ratio on the money market balance in the endowment was discussed; it seems high considering the nature of this account. Committee members asked if there are other options.

It was also discussed that since the money market account is paying close to 5%, the committee should not feel pressure to immediately invest the funds. It would be more prudent to do further research and better define the approach for selecting funds. Jan asked about investing more in CDs while the investment plan was further considered. She noted that the committee had agreed to continue dollar cost averaging of the investments, so a portion of the funds would remain uninvested for more than six months. John said he doesn't think that CD's will pay that much more than the money market. It was agreed that if CDs would yield ~ ½% more than the money market, Jan should move some funds into CDs to lock in a higher yield while the investment plan was developed and then executed.

Action Items from the meeting were as follows:

- Jared will send committee members information related to fiduciary responsibility and parameters for reviewing investments to consider proposing to the board as amendments to the Investment Policy.
- Duncan will see what other Boys & Girls clubs are doing with their policies on endowments & investments.
- Jan will see what other options are available for the cash / MM sweep account utilized for the uninvested funds. In particular, government money markets / ETFs will be considered as another option.
- Jan will look at the returns on CDs up to a 6-month duration and, if returns sufficiently exceed the money market, will execute trades to lock in a higher return until invested in mutual funds.