

Boys & Girls Club of Chaffee County (BGCCC)
Minutes of the Investment Committee
October 26, 2022

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

The investment committee met online with discussion of the following agenda items via email over the course of several days concluding on October 26, 2022.

AGENDA:

1. Objectives / Action Needed
 2. Approval of August meeting minutes
 3. Review of Investment Policy
 4. Communication of capital spending timeline
 - (a) Breaking ground in BV at the end of 2023
 - (b) Phase 2 architect contract in negotiation ~\$400k
 - (c) Owner’s rep, engineering etc. are ongoing but not significant costs
 5. Consideration of proposals for managed accounts
 - a) First American Trust (Scott Laudeman, Chase Peterson)
 - b) Mariner Wealth Advisors (Tim Lesko, Scott Schermerhorn)
 - c) Signature Estate & Investment Advisors (Len Hersch)
 6. Action to approve steps –
 - (a) Managed account - follow up questions, transition process OR
 - (b) Continued self-management
 - Endowment investments held & future investment of ~\$100k from FY 22 operating surplus
 - BV Capital Campaign - fixed income, cash / cash equivalents
 - Operating Reserve - fixed income, cash / cash equivalents
 7. Action to approve statement regarding investment losses for foundation funding application
 - (a) Foundation has asked about losses on financial statements
 - (b) Response to incorporate these points – losses are unrealized, investments are being held for long-term, separate from operating funds or capital campaign, not unique to BGCCC due to current market, etc.
 - (c) DRAFT for comment –

BGCCC’s financial statements for the fiscal year ended June 30, 2022 include unrealized investment losses, meaning the value on paper has decreased. All investments have been made in accordance with the organization’s Investments and Reserves Policy that prohibits any type of high risk or speculative instruments.
- The board designated certain funds for a quasi-endowment and began investing those funds in select mutual funds and electronically [sic] traded funds over a 12-month period that began in 2021. The stock market declined after the initial investment. The losses experienced by BGCCC are indicative of overall market conditions. Historic data shows the positive stock market returns over time far outweigh negative years. While volatility has and will continue to affect the value of investments, losses are not realized unless sold. These investments are being held for the long term and do not include any funds needed for current operating or capital expenses.
8. Wrap Up / Next Meeting
 - Plan to meet in early January in preparation to present to the board at the end of the month
 - Committee members generally availability for in person or online meeting

ACTION TAKEN:

Jake made the following motions:

- I make a motion to approve the minutes from the August meeting.
- I would additionally make a motion that at this time we continue to self manage our investment funds employing our previously determined allocations for the endowment funds and cash alternatives (T bills, Short CDs) for building funds.
- I would like to make a motion to accept the explanation as to portfolio losses with the correction that Electronically traded becomes Exchange traded.
- As for dollar cost averaging, I would like to suggest that we put in 20% of our funds the 1st of each month, beginning Nov. 1, 2022. Since we are in it for the long haul, I don't know that this matters very much but it might make everyone feel better given recent volatility.

Motions were seconded by Duncan.

Jan proposed an amendment to the exact timing of placing trades to allow some flexibility for possible days she is unavailable on the first of each month to place the ETF trades that cannot be scheduled in advance.

Final actions for approval were as follows:

- Approve minutes from the August meeting.
- At this time we continue to self-manage our investment funds employing our previously determined allocations in selected funds for the endowment investing 20% of the cash on or near the first of each month starting in November and in cash alternatives (T bills, Short CDs) for the building fund.
- Accept the explanation as to portfolio losses with the correction of Electronically traded to Exchange Traded.

All committee members responded in the affirmative to approve the actions summarized above.

Jan will follow up with the committee members to schedule an in-person meeting before the end of the year.

Minutes submitted by Jan Schmidt