Board of Trustees Meeting Minutes

12-18-2019

Attendees: Jim Gilbert, Matt Kretchmer, Larry Gilbert, John Gilbert, Heather Bacci

**1. House Update**

-Both houses are sold and escrows closed

-All utility balances has been paid and accounts closed

-Insurance policies have been cancelled and refunds received

**2. Investment Update**

-Funds are currently still in same distribution as received from DAD

-Need to switch to ETF 60% stocks/40% bonds

-Per Jacob Lorang, 1% management fee on DAD asset management would be approx. $19,000/year

-Trust currently has 40% distributed within 3 stocks. Need to reallocate

-Could let DAD manage for short term and change course later

-John expressed concern that Trump impeachment could have on markets

-Heather felt that deflecting management to DAD could remove liability exposure from the board since we are not money managers

-Jim expressed that we should stay conservative to protect assets

-Matt agrees that we should leave money management to expertise of DAD

-Jim restated investment policy as posted on website

-Jim will contact Curt Lineweaver at DAD for additional steps needed to have them manage funds (i.e. paperwork, etc.)

-Matt feels Curt Lineweaver should have the lead on handling the account as he had worked directly with Aunt Elsie on her money management prior to the legal issues

**3. Legal and Accounting**

-Legal-Jennifer Forsythe

-Accounting-Darcy Reum

\*Heather and Jim shared Darcy’s position that as long as the grant funding is paid from the equity portion of the trust, it is not taxable to the recipients, so we will proceed on that basis

\*Per Darcy Reum, taxable exposure on capital gains is estimated to be around $23,000

\*We are paying Wipfli a flat fee of $4,400 for services with some additional hourly expenses for specific research needed outside the scope of the flat fee agreement

\*Paid hourly for the research on the taxable issue

\*Darcy completed a review of the assets held at DAD prior to the transfer and all appears to be in order. That review was done as part of the flat fee agreement

Larry presented a motion as follows…

(Motion to Authorize a Signatory Required Acknowledging Receipt of full Distribution of Assets)

Cause No. DP-2016-29 Motion:

I , Larry L. Gilbert, a permanent trustee of the above Trust, move that the Chairman of the Board of Trustees, Jim Gilbert, be authorized by the trustees to act as the only signatory needed to sign the Receipt of Full Distribution of Assets from Nelson estate to the Nelson Trust. This motion is based on the last Certificate of Trust in which item # 6 states that the Trust has multiple Trustees. The signature of one authorized Trustee is required to exercise the power of the Trust. The authorized Trustee is required to have the written authorization from three of the four remaining Trustees. This authorization may be via electronic mail. Second to the Motion: Matt Kretchmer

Vote of Trustees: Larry Gilbert -Yes

Jim Gilbert –Abstain

Matt Kretchmer -Yes

John Gilbert -Yes

Heather Bacci –Yes

**4. Grants**

The board reviewed 18 pending grant applications and we approved them as follows:

1) Jacqueline Bergren-2019

2) Amanda Russell-2019

3) Briana Guthrie-2011, 2012, 2013

4) Jaden Woeppel-2019

5) Christi Freeman-2019

6) Cody Mummey-2019

7) Jessica Poor-Her application was for 2020 schooling so we will delay approval until 2020

8) Ryan Gilbert-2012-2018

9) Lauren Hay-2011, 2012

**5. Tom Towe’s Billing**

-Larry explained why they needed to engage the services of Tom Towe. Jim rebutted that Tom was hired by Larry, not by the trust, therefore the trust should not be responsible for the bill. The appeal was filed in opposition to the new trust and it was Larry choice to proceed with that. The appeal cost the trust $68,000 for just the trust attorneys hired by the trust and during the second mediation the trust agreed to pay $24000 toward Tom Towe’s billing, which Tow signed off on the mediation agreement would satisfy his services as full and final resolution. Larry explained that Towe is not pursuing him for payment, but Larry feels that it is the right thing for Towe to be paid in full.

John made a motion that the board vote on paying the outstanding balance of Tom Towe’s bill. Larry seconded the motion.

Yays-Larry, John

Nays-Jim Heather, Matt

The Motion did not pass and the trust will not be paying Tom Towe’s outstanding bill.

**6. John Gilbert’s application for medical bill denial process-explanation requested by John**

-Jim explained that upon review of the minutes of 5/5, the vote regarding the question of whether to honor medical was 2 to 2 as one trustee was absent. Accordingly, the issue was tabled until the next meeting. During the next meeting of 5/23, the discussion was 2 for and 2 against. Matt was initially for it but after discussing the ramifications of opening up the trust to medical expenses incurred by all recipients; Matt decided he wanted to think about it. During the next meeting of 5/30, Kathy presented a motion to pay the medical applications, a vote of the board was taken and it was 2 for, 3 against, therefore the motion did not pass and it was ruled that applications for medical expenses would not be covered based upon the scope of the trust.

-Larry then made reference to Article 5 of the trust regarding distribution of supplemental needs and indicated that he felt that medical should be included.

-Jim pointed out that it had already been voted upon and medical is excluded. Jim asked John if he wanted to present a motion on the issue, to which John declined.

**7. John’s request for compensation of the Trustees**

\*Board members Larry, Matt and John receive $400 per month.

\* Board member Jim/president $450 per month.

\* Board member Heather/secretary, bookkeeper $500 per month.

\* Checks to be issued by the 10th of each month.

\* Also I would like to ask that each board member be covered by a $50,000 Term life insurance policy paid for by the trust

-John expressed that he felt it was appropriate for the trust to pay the above referenced items to the Trustees for serving in the position.

-Heather shared that she was not interested in being compensated

-Jim shared that the language of the trust document specifically states that board members will not be compensated. Jim asked John if he would like to present a motion regarding the issue to which John declined. John expressed that he will likely be submitting written resignation from serving on the board.

**8. Communication to income beneficiaries via website**

-Heather shared that she had done some updating on the Family announcements page regarding the resolution of the property sales and the sad passing of Uncle Kenny.

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