Board of Trustees Meeting Minutes

07-18-2019

Present: Matt Kretchmer, Jim Gilbert, Kathy Woeppel, Heather Bacci

Absent: Larry Gilbert

The Meeting began with a visit with Curt Lineweaver from DA Davidson Investments. The agenda was as follows:

1. Trust Information Sharing

-Jim walked Curt through the website explaining how we have the financial page set up

-Trade Confirmations would be confirmed by email to the trust email

-Curt recommended that we continue posting the monthly statement as a pdf to the website financial page as opposed to providing passwords for people to have access. There is no link for the DAD accounts that could be posted directly to the website financial page

-Monthly, as well as quarterly, statements will be sent

2. Investment Strategy

-Do we plan to use just the earnings, or tap principal also. Once we have gotten through the onslaught of grants coming in due to the freeze and the extension to earlier years, we will attempt to limit use of trust funds to the earnings. This may mean having to adjust the number of, or amount of grants being awarded. If the number of grants needs to be limited, Jim proposes that priority be given to those who have not previously received grants.

-We would like to see the trust survive at least 30-40 years.

-Curt proposes that we create “surplus” when we have strong investment years so that funds will be available for years when investments may not provide adequate returns.

-We will start with a 5 year investment strategy and use the average earnings during that time to adjust the investment strategy going forward.

-Curt suggested the money market account for the trust checking account. We will target an average checking account balance in the range of 100K-200K. Funds can be moved from an investment account to the checking account within three days time.

-Curt recommends a 60% stock, 40% bond portfolio. This is a good allocation for returns. The funds will be in a “managed” account which will be monitored regularly to assure the 60/40 strategy. The “managed” account charges a 1% fee.

-Curt recommends ETF funds as opposed to investing in individually owned stocks. Jim inquired about the tax consequence of selling the currently held individually owned stocks and converting them to ETF. We will need to access those consequences prior to making any such transfers

-Curt advised that trust accounts get hit by the highest tax rates.

3. Investment Policy Statement

-Jacob Lorang and Curt will help put together an investment policy statement for the trust including allocation profiles and reporting requirements. We will post the policy statement to the financials page on the website once the statement it is complete.

4. Future Changes of Trustees

-Curt will need an informal letter from any terminating trustee stating that they are no longer a trustee. Curt provided a sample letter that he would like for us to use for that purpose.

-Curt will need the name, contact information, social security number for any new trustee. He would like for any new trustee to call DAD direct to provide the necessary information

This completed our meeting with Curt Lineweaver.

The Board then proceeded with the meeting to discuss board related issues.

1. Trust Applications

-Jim has received 56 additional grant applications from 17 grant applicants. We are still missing some documentation from a couple of applicants. Jim and Heather have been in contact with those applicants to request the needed information.

-All Trustees were provided with the applications by email several days ago. We have all had the opportunity to review those grants and agree that we should proceed with payment for those providing proper documentation.

Matt made a motion to approve the 56 grants that are in order. Kathy seconded the motion.

Vote of the board: Yay Nay

 Heather

 Jim

 Matt

 Kathy

-Heather will issue payment to the grant recipients within the next day or so.

1. Houses

-It appears at this time that Sarah Griffith is not interested in purchasing the duplex. Clea is only able to pay $40K for the rental and we are not prepared to sell it for that price.

-Russ Getten has backed out as being the realtor as he will be gone traveling the next couple months. He recommended that we contact Holly Young at Lonestar Realty. Contact was made with Holly Young. Matt will meet with her next week to show her through the house after we receive clearance from the auctioneer to do so. We will need her input relating to listing the property. We will also need to talk with her regarding the listing of the rental property. We need to discuss with her the time line for the rental listing as we want to be sure to allow Clea sufficient time to move out.

\*\*\*Matt left the meeting at this point\*\*\*\*\*

-We need to determine when we can complete the clean out on the duplex. Kathy will check with the auctioneer to see when we can have access to the house to do the clean out. Jim thinks we should proceed with putting the house on the market as quickly as possible regardless of the estate sale.

1. Trustee Election

-Kathy heard that Ryan Gilbert and Luke Gilbert are interested in running for trustee but they received their letters late. Heather received an email from John C Gilbert indicating he would like to run, but he has not returned his application

-Heather will email those three to see if they are interested in running. She will provide them with applications and give them a deadline of Sunday July 21 to get the application back to the board if they are interested in running.

-Heather will send an email to all candidates asking them to complete a one paragraph bio and provide a photo by Thursday, July 25 if they want it to be included on the ballot.

- Heather will put together the ballot that weekend and will email it to the other trustees for review. The goal will be to have the ballots in the mail on Monday, July 29.

-Heather will contact Wally regarding the PO Box and having him hold the returned ballots until the trustees come together to open them. This will likely be in mid-September.

1. Next Meeting

-We will forgo scheduling the next meeting until we have more information that needs to be shared/addressed.