**Boys & Girls Club of Chaffee County (BGCCC)**

**Minutes of the Finance Committee**

**June 23, 2021**

Attendees: Board Chairperson Duncan Campbell, Finance Committee Chair Jan Schmidt, Committee Members Gloria Broudy, Irv Broudy, and Chas Weaver and Staff Members Brian Beaulieu and Austin Taylor.

1. Meeting Kickoff

The meeting was held at Salida club with an option to participate on the Go To Meeting application and started at 12:07pm.

1. Approval of Minutes from May meeting

Draft minutes from the Finance Committee meeting held on May 19, 2021 were distributed to members in advance. Irv made a motion to approve the minutes. Duncan seconded the motion. It carried unanimously.

1. May Financial Statements

Jan read through highlights of the financial statements for the eleven months ended May 31, 2021. (See attached memo.) There was some discussion of a few of the budget variances and report headings. In addition, it was noted that forgiveness of the $85,000 PPP loan would be reflected as “other income” in the June financial statements.

Irv noted the strong financial results, with a surplus both in the capital campaign and operations. BGCCC typically budgets for a break-even. Funds raised through the One Campaign and End of Year Campaign both exceeded expectations, while expenses were less than budgeted.

Jan asked the Finance Committee members to consider a recommendation to the board to designate a portion of the operating surplus for the endowment. This would accomplish multiple objectives by reducing the amount of available cash shown on the fiscal year-end financial statements and further the board’s goals in establishing the endowment. It also makes additional money available for the Investment Committee to work with when the proposed brokerage account is established. It was noted that it would be possible for the board to change the designation down the road if necessary for some unforeseen reason (as opposed to donor restricted funds that cannot be redirected by the board).

Duncan made a motion to recommend $150,000 of the operating surplus for the Quasi Endowment. Gloria seconded. The motion passed unanimously.

1. Capital Campaign Report

Austin had caught up the capital campaign report through June 21 after checking all the donations against the tracking spreadsheet maintained by Julie Mordecai. The data will be further reviewed to determine why the capital income through May on the financial statements is greater than the actual year-to-date on the capital campaign that includes three additional weeks of activity. There was some discussion about the expense forecast and variances from the original capital campaign budget. Austin’s efforts were recognized and appreciated. The report is important for accountability to donors by showing how funds were or will be utilized.

1. Update on Loan Refinance

Jan asked Chas if she could provide an update on the timing of the loan refinance. Chas said it was very likely the loan would close on June 29. She emailed the loan document requiring Duncan’s signature, which he signed and Austin emailed back. Other information needed is being gathered for the closing. Jan noted that if there was a delay beyond the BGCCC’s fiscal year end of June 30, a $330,000 paydown would be made directly to the current note holders so the audited financial statements would reflect the reduced cash balance.

1. Investment Committee Update

Jan reported that the Investment Committee held its second meeting on June 9. Dan Shore presented information on two different brokerage account options. He recommended opening an account at Vanguard primarily because of cost. There would be no annual fee. An investment associate would be available to help BGCCC set up an allocation plan. They would not, however, be assigned to the account on an ongoing basis. The Investment Committee members unanimously supported this recommendation as did the Finance Committee, in turn. Jan will request the board authorize this step at the meeting next week.

Determination of an asset allocation plan was deferred until the brokerage account could be opened. However, the Investment Committee did have some discussion about investing in an S&P fund and bond allocation fund. Recommended revisions to the Investment Policy are being accumulated and will be brought back to the Finance Committee and then the full board after the policy has been implemented and followed for a while.

A draft of the minutes of the meeting were included in the meeting packet for further details.

1. Finance Department Update

Much of the department update had been woven into discussion during earlier agenda items. Austin further updated the committee on accomplishments and future priorities.

1. 2021-2022 Proposed Budget

Austin presented a revision to the budget draft incorporating feedback from the committee during their work session on June 14. There was discussion of minor revisions to a few lines items and adding further information about personnel raises.

Duncan made a motion to recommend adoption of the fiscal 2021-2022 budget with revisions noted. Gloria seconded. The motion passed unanimously.

1. Other Matters

There was some discussion of adding a staff position for a volunteer coordinator, as well as the types of volunteers are currently contributing or interested in future involvement.

1. Wrap Up

The meeting concluded at 1:29pm.

Minutes submitted by Jan Schmidt