**BGCCC Board Meeting**

**Tuesday, Jan. 30, 2024**

Meeting called to order at 5:37 p.m.

Members attending in Salida: Gwen Allen, Brian Beaulieu, Jan Schmidt, Dustin Nichols, Marji Ackermann, Felicia Hermosillo, Kristen Hussey, and Investment Committee member John McGowan

Members attending remotely: Cara Larimer, Chasadee Weaver and Investment Committee Members Tom Jacobson, Jared Buchan

I. Moment for kids. Tested new video approach. Remote members could hear the video, in-person attendees could not hear it. Need to work on presenting video so both in-person and remote attendees can see and hear it.

II. Review and approval of 12/5/23 Board Minutes with two corrections:

January board meeting date is actually 1/30/24 and spelling of Lou Galletta’s name under “D. Facilities” needs to be corrected.

*Marji made a motion to approve the December minutes and Jan seconded it. Unanimously approved.*

Approval of Agenda: *Kristen made a motion to approve today’s agenda*

*and Felicia seconded it. Unanimously approved.*

III. Annual Report from Investment Committee presented by John McGowan (2023 Endowment Report attached to Minutes)

1. John reviewed the results of the Endowment Portfolio and how funds were invested in 2023. Discussed significant market volatility. As Federal Reserve worked to tame inflation bonds took center stage. Banks had to offer higher CD rates to compete with bonds. Investors like BGCCC who invested in “the magnificent seven” big cap stocks saw good returns. Artificial intelligence was driving those magnificent seven stocks. The risks and rewards of AI are still unfolding.

As of 12/31/23, investment portfolio’s market value was $482,292. Rate of return in 2023 was 11.5%.

1. Rationale for changing the asset allocation (Jared)

Investment Committee spent past 3-4 months taking a step back from what was in place in terms of BGCCC’s investment policy and how the portfolio was constructed. Wanted to find a balance between their role as volunteer Investment Committee members, how much time they have and the tools available to them.

Investment Committee proposes moving the endowment funds from one managed by the Investment Committee to The Vanguard Group. This approach–of using a Vanguard model portfolio–aligns with the new Investment Policy. We are relying on one of the top money managers in the world to build a balanced portfolio. By using Vanguard, it will also help ensure the sustainability of the Investment Policy approach by providing continuity when there is turnover on the Investment Committee. The plan can be followed long term.

1. Sticking with 50/50 stock/bond allocation. (Jan)( asset allocation worksheet is attached to the minutes)

Investing in low-cost funds, with broad diversification.

Board needs to approve new asset allocation.

*Kristen moved to adopt the proposed asset allocation plan for the Endowment as referenced in the report. Gwen seconded. Unanimously approved.*

Per Jan: To implement new asset allocation, we will sell existing funds immediately and adopt Vanguard plan. For the FY 2023 operating surplus held in CDs, we will use dollar-cost averaging over a five-month period to invest in the Vanguard funds.

IV. Report from Investment Advisor for Capital Campaign: Tim Lesko of Mariner Wealth Advisors (Tim’s presentation, which he could not share on the video screen during the meeting, is attached to the minutes)

Current market value of capital campaign funds is $2,764,227.

Started counting performance on 3/31/23. Rolling performance so far after three quarters (through end of year) saw a return of 3.7% Expectation is 5.3% to 5.4 % return for the year.

Tim is managing a fixed-income portfolio with an average duration of less than one year.

Portfolio is achieving better than money-market rates. Insured and government-guaranteed yield. 5% is the expected yield to maturity. We will need to keep Tim informed with respect to the construction budget, when pledges are timed to be received, etc. so that he can manage staggered maturities as funds are needed during the course of construction.

V. Revised Investment and Reserves Policy: Jan Schmidt presented for board approval (Investments and Reserves Policy attached to minutes)

1. Revised policy is based on a sample Investment Policy Statement provided by Mariner Wealth Advisors that expands several areas of previous investment policy and covers items not previously addressed.
2. New BGCCC policy incorporates all types of cash and investments held (broader than the sample document that addresses a single fund).
3. Investment Committee felt the previous investment policy was lacking in several areas:

1. Fiduciary responsibilities

2. Basis for constructing portfolios

3. Fund review process / ongoing evaluation of the portfolios

4. Risk & return objectives for each piece of the pie

5. Section or review of a fund manager

6. Simplify / clarify spending allowed from the endowment

7. More appropriate benchmarks for endowment returns

8. Calendar of activities

1. Policy sections
   1. Purpose, Background and Overview – retained from previous policy
   2. Objectives – Replaces the “Funds and Uses” section and includes an expanded table from “Investment Guidelines” section of the previous policy
   3. Time Horizon – new section
   4. Risk Tolerances – new section
   5. Duties & Responsibilities – expanded beyond addressing only the Investment Committee
   6. Asset Allocation – new section (previously not defined in the policy)
   7. Permitted Sub-Asset Classes – clearly presents what was previously under Investments section of old policy
   8. Prohibited Transaction and Security Types – clearly presents what was previously under Investments section of old policy
   9. Rebalancing – new section
   10. Implementation – new section
   11. Monitoring Performance Objectives – new section
   12. Benchmarks – new section
   13. Spending Policy – new (previously addressed only in the table)
   14. Measuring Costs – new section
   15. Conflict of Interest – similar to previous policy
   16. Policy Review – expanded from Approval & Revision section of previous

policy

* 1. Approval and Revision History – updated from previous policy

Gwen asked when annual board approval of asset allocation should occur. Jan said middle of the year when we know what operating surplus will be. Should anticipate doing it in August after previous fiscal year’s financials are finalized.

*Felicia made a motion to approve the revised Investment Policy. Marji seconded. Unanimously approved.*

VI. Info forms for two new proposed members of the Finance Committee (Jan)

Jan feels new members of Finance Committee should be approved by the entire Board. Board discussed applications submitted for Diane Cannella and Helen Walser. Both have relevant accounting backgrounds.

*Jan made a motion to approve the two new Finance Committee members. Felicia seconded. Unanimously approved.*

VII. Finance Committee Report (Jan)

Provided financials halfway through year. Doing well. We are at $725K in operating income, which is 75% of budget. Operating expenses are $574K, trending high at 60% of budget. Net through December is $150K.

We are discovering more errors created by our former financial manager. Working with new finance director Alison Ramsey to get all that cleaned up. Alison is very detail-oriented and has good processes in place. It’s fixable. Disappointed our auditor did not raise any red flags. Draft audit for FY 2023 should be in Jan and Brian’s hands by Jan. 31.

Jan will bring back Finance Committee charter to the Board in a month or two to make sure all are in agreement with the responsibilities they have. Working with Marji on revised Gift Acceptance policy.

VIII. EOY and RD Report (Marji)

RD proposes naming only one Club Hero for 2024 (rather than the traditional two, one from each end of the county). Julie Mordecai is our largest individual donor and has played a key role in both the Salida and BV capital campaigns. Board agreed to name Julie Mordecai as this year’s Club Hero. Brian will reach out to Julie.

EOY campaign earned $176,160 from 246 donors. Budget was $135,000. Highest total and number of donors ever. A few gifts were transferred to the Capital Campaign. For company donors that donated in December, we’ll recognize them in 2024 even though their donations were realized in 2023. Thanks to Scott and Karen for their HUGE contribution to personal notes to donors.

2023 Business Sponsor Campaign earned $121,074 from 93 businesses. Budget was $100,000. Still three outstanding pledges. One to be paid first half of 2024; Brian is following up with other two.

IX. DEI Policy (Gwen)

Executive Committee recommends adding DEI policy to BGCCC website. Gwen said last October the Governance Committee proposed a diversity policy that minimized the political issues around DEI by eliminating the phrase “equity.” Did not seek board approval for that statement. Brian has found that the Club is experiencing actual losses in grant funding without a DEI statement. Those grantees expect to see equity as part of statement. Recommend adopting and posting same DEI policy on our website that is on the BGCA website. Tessa to upload this policy under “About Us” tab.

*Marji made a motion to adopt the BGCA’s DEI policy, and Jan seconded the motion. Unanimously approved.*

X. Facilities Update

A. Salida (Brian) The new entryway has been completed. A ribbon cutting will be scheduled to honor the architects who donated time/services.

B. BV Facilities (Dustin) Working with Lou Galeta and Diesslin on a construction budget and updated cost estimate for the new construction.

C. Per Cara, updated construction estimate will impact BV Capital Campaign’s plans for this

year. She hopes to be able to report capital campaign updates in detail at the March Board Meeting, anticipating budget/cost finalization in February.

XI. Safety, Programs and Staffing (Brian)

A. Safety Audit timing – Have a call next week with national organization regarding our

safety audit. Deb and Mitch will be instrumental in helping Brian with the audit.

B. Staff – evaluation of Employee Assistance Plan Question, readiness for potential changes

in BV.

C. State Alliance director Kaycee Headrick is leaving the position in March. A loss to

Colorado’s Clubs since Kaycee is such an effective leader. Brian is chairing a committee to

find her replacement.

XII. Wrap up/Dates (Gwen)

Upcoming dates: Friday, Feb. 9, time to come. Recognition of High Country Bank. Will also

recognize High Country at BV Club. Date to come.

Thursday, April 4, Youth of the Year

Wednesday, Sept. 25, Great Futures Gala

Reminder: Committee Description Updates to Committee Chairs that haven’t already done so.

Brian action item with Tessa re. board page updates.