



BGCCC Board Meeting
Tuesday, August 29, 2023

Meeting called to order at 5:31 pm.

Members attending in Salida: Duncan Campbell (Board Chairman), Gwen Allen (Board Vice Chair) Jan Schmidt (Treasurer), Deb Payton (Secretary), Brian Beaulieu (Club Director) Dustin Nichols, Kristen Hussey, Marji Ackermann, Felicia Hermosillo, Dan Shore and Jared Buchan (Investment Committee -IC) Via GTM: Lauren Hackney (BGCA) Cara Larimer, Tom Jacobson (IC), John McGowan (IC), Chas Weaver and Felicia (2nd half of meeting). Regrets: Barbara and Carlton Pearse

- I. **Moments for kids with Kiki**—Not presented.
- II. **Review and approval of June Board Minutes.** Jan *made a motion to approve the June Minutes and Gwen seconded. Unanimously approved.*
- III. **Finance acumen training** – Lauren Hackney- BGCA. See the attached Power Point slides
 - A. *Endowments*-Money invested in the stock market
 1. True Endowment-Major donors give funds and restrict them only to allow the charity to spend investment income.
 2. Unrestricted Endowment- Unrestricted access allows nonprofits to spend, save, invest and distribute for their immediate needs.
 3. Restricted endowment-The primary amount remains in the market and investment income is reinvested according to the donor's wishes.
 - B. *Investment policy* should be set in place by the board and monitored by the board with the emphasis on protecting the initial value and growing assets. If value is lost, we must pull funds out of operating expenses and reimburse it with unrestricted funds.
 - C. *Funds that are Board Restricted are Quasi Restricted* (board-disrated endowments). Principal and income are used at the board's discretion with donor intent kept in mind.
 - D. *Allowance for doubtful accounts.* Accounting books revenue as it's pledged, then expenses are allowed over the next 3 years. If collection is, doubtful then you can book based on likelihood. For example—\$100k pledged, but the likelihood of collection is 25%. Book for \$25k as an estimate of income. Receivables are logged on the balance sheet to allow for periodic review. Agreements for pledges should be written and signed.

E. *Fiduciary Responsibility*- The legal responsibility (fiduciary) to review financials and make sure that funds are used for the correct purpose. The fiduciary has 3 primary legal duties.

- (1) Duty of Care-prudent use of assets by the nonprofit.
- (2) Duty of Loyalty-There should be no conflict of interest with the best interest of the BGCCC foremost, not the individual.
- (3) Duty of Obedience- Follow laws and rules, annual audits and prudent financial management.

F. *Financial Management*-The Finance Committee:

- A. Meets regularly a week before the board meeting.
- B. Drives the budgeting process which is approved by the Board.
- C. Has at least 3 members. The chairperson is the treasurer and oversees the Finance Administrator.
- D. Roles and Responsibilities—Review and present financials, ensures reconciliation and that financial data is correct, updates strong policies and procedures, monitors and ensures donor intent and oversees payroll and pension plans.

G. *Five Board Member responsibilities*:

- A. Financial Trends and Ratios- Annual meeting regarding trends, steps to mitigate issues.
- B. Governance and Fiduciary Responsibility- An active Finance Committee & Board education.
- C. Policies , Procedures and Controls should be updated. Finance & accounting reviewed annually. Weaknesses would include lack of internal controls.
- D. Audit-The annual audit needs to be reported to all board members.
- E. Form 990 Government section-Stay up to date on laws and watch for issues with compliance.

H. *Policies and Procedures*:

- A. protect from lawsuits
- B. Prevent fraud in nonprofits (higher risk with no internal controls). The average nonprofit embezzlement is \$639k or 29% of average budget. Weaknesses include lack of internal controls, lack of management review and overriding existing internal controls.
- C. The general strategic control is the Board through Policies and Procedures and regular oversight.

- D. Larger agreements should be made before the Board and our policies are being revised to reflect that. Also a dollar threshold is being reviewed by the committee to provide direct oversight of larger expenditures.

IV. Investment Committee Annual Report: Investment Committee Members present—Jan Schmidt, John McGowan (presenter), Dan Shore, Tom Jacobson, Duncan Campbell, Brian Beaulieu, and welcome Jared Buchan.

A. *The BGCCC Endowment* stands at \$295k

1. The fund is allocated between fixed income bonds, TIP's, S&P 500 funds, US and global stocks and is distributed between large, small and mid-cap funds and reserved cash.
2. The fund is 50/50 weighted between stocks and bonds. This represented a well diversified global portfolio.
3. Endowments can only be distributed at around 5% of the fund.

B. *Performance*—

- A. The BGCCC Endowment is mapping closely to benchmark funds.
- B. BGCCC weighting of investment shows a slight over performance of the benchmark.
- C. Fees for the funds stand at 0.32% with no management fees. Fidelity acts as the broker and record keeper of these accounts.
- D. As interest rates peak, the committee is looking to rebalance and will look for longer term bonds and a slight decrease in stocks held.

IV. Gala preparation including the numbers – Marji

- A. At the Gala, club kids will be greeters.
- B. If you are planning to attend, please reserve your tickets now as the tickets will go out to the public shortly. So far, 41 tickets have been secured. Gwen offered her extra tickets up for BGCCC VIP's.
- C. The event will start with cocktails at 5:30pm, dinner at 6pm and it will include one vegan and one chicken dish and for dessert a brownie and key lime tart. Two buffet lines will help the crowds move through faster. Videos with pictures of staff and club members will play.
- D. The 2023 Club heroes are Duncan Campbell of Salida and Libby Faye of BV.
- E. Tessa and Brian are working on sponsor commercials. There will also be a short programming video.
- F. The live Auction will be hosted by Jim Wilson. Fund a future will be part of the live portion. There will be a BV experience package and a Salida experience package for the auction. Other silent auction items are coming together.
- G. John Novasad will perform as comedian.

H. Marketing: In July, save the date e-mails went out to attendees and previous sponsors. June and July - Constant Contact e-mails were sent. The final poster/flier is being completed by Tessa and will be submitted tomorrow and will go up in early September with a 2nd press release. Commercials for sponsors will be on the power point loop. A challenge grant from Oren Dreeben and ? Will be used to boost donations.

I. Year to date, there has been \$22k in-kind donations.

V. Committee Report Outs: (30 minutes)

VI. Summer Program results—Brian- Both clubs are well staffed with over 400 different kids served. STEM programming continues with Kuper Banghart, Greg Justis and Irv Broudy with the rocketry and drone programs. Pirates the Musical was put on by club members. There were no safety incidents with kids. Sam from the Salida Club injured their ankle (Workers Comp).

VII. Committee Reports:

A. Facilities (Dustin)

1. Salida—Brian - The flooring has been completed and looks fantastic. The HVAC system was inspected due to ongoing issues with function and leakage. The boilers are being replaced. The HVAC A/C system is failing in one half of the building with three compressors down. The water heater was leaking and also requires replacement. These issues were addressed as part of the overall upgrade and renovations of the building.
2. Buena Vista- Dustin-The committee is meeting 2-3 times/month. For future reference, the building is a Boys & Girls Club and is not a Rec Center. The BGCCC provides a bridge space for the Rec Department. Joe Samson has replaced Joseph Teipel. RG Associates is guiding us for the town submissions and are very thorough with double the checklist of needed documentation. Sangre de Cristo and Fire Department meetings are coming up. Timetable; Groundbreaking must be within 36 months and completed within 24 months.

B. Finance (Jan)

1. Action Item: *Dustin made a motion to appoint Jared Buchan to the Investment Committee and seconded by Kristen, unanimously approved.* (Jared's background as a Lawyer, Finance and Investment Advisor CFA level 1, Corporate and individual endowments led to the unanimous supported of the Investment Committee)
2. The operating surplus of \$171k (\$300K endowment) will be rolled into the endowment.
3. Austin will be leaving the club and we have two potential candidates for Financial Director.
4. The auditors will be here in mid-September and ideally Austin will stay through the audit.

5. The committee also discussed the Capital Campaign and estimated Groundbreaking for BV. There is potential for pushing the date back.
6. Policies and Procedures are underway.
7. The Salida Club entryway cost has increased, DSI is providing their services free of charge. However the estimated cost of \$30K is \$5k over budget.
8. Salida CC budget should now be updated as renovations are nearing completion. If there is excess, it should be rolled to BV.

C. RD (Marji)

1. The KPI's are on track. Business Sponsorships are >\$100k.
2. The summer newsletter went out.
3. The Planned Giving packet is now complete. Tessa did a fabulous job on this brochure. Pivotal in it's completion was BGCA, Irv and Gloria Broudy's, Duncan Campbell and Karen Dills.
4. Stoke is sponsoring a Big Chief Juan Pardo and Golden Comanches event at STROKE and the fundraiser benefits BGCCC on Saturday Sept 23, with dinner at 5:30pm and the show at 7pm. BGCCC kids will attend a separate event.

D. Safety—(Deb).

1. The Safety Improvement Plan was submitted to BGCA in early August.
2. The BGCCC Safety Policies and Procedures are well under way and will be reviewed by the Safety Committee prior to adopting them for 2023.

E. BV Capital Campaign—(Cara)

F. Governance—(Duncan) There was no meeting this month.

G. Programs—(Brian)

1. The Maddie Pendon Performance center will be dedicated this Friday at 3pm with ice cream at 3:30pm.
2. AmeriCorps does not have a contract with the town of BV. There are nine AmeriCorps members in Salida. This is a discussion to address with the town.
3. Salty Riggs is the Program Director in BV, Allie Sloan will be the Program Director in Salida, BGCCC is now fully staffed for programming. Sue and Jen had 80 members signed up in BV for back to school.

Important calendar dates:

Great Futures Gala-September 27th starting at 5:30pm at Mt Princeton Hot Springs Resort Pavilion

13th Colorado Area Council Meeting—October 12 evening social BGCA area council meeting

Meeting adjourned at 7:52pm

There will be no board meeting in September due to the upcoming Gala