**ALPHA GAMMA SIGMA BOARD OF TRUSTEES**

**FALL MEETING MINUTES**

**October 7th, 2017**

**Orange Coast College, Costa Mesa, California**

1. **Call to Order:** President Obed Vazquez called the meeting to order at 1:34 PM. We started two hours earlier than expected because the Fall Advisory Board Meeting ended at 12 PM.
2. **Review and Approval of Agenda:** The agenda was approved with no additions.
3. **Introductions of Trustees:** Kaycea Campbell, Lisa Carlsen, Terry Green, Chris Kox, Megan Lange, Obed Vazquez, Valerie Venegas, and Chris Wardell introduced themselves. Jennifer McBride, Jacqueline Faris and Erik Fritz, were not present. Also, neither of the two student trustees, Sara Williams from Las Positas College and Isabel Shaw from Pierce College were able to attend the meeting. Our new financial advisor, Monica Peterson, joined our meeting at 3:20 PM, shortly before the meeting had been originally scheduled to begin.
4. **Approval of Minutes of April 21st, 2017 at the DoubleTree Hotel in Ontario, California:** The minutes were approved with no corrections.
5. **Announcements:** There were no announcements made.
6. **Treasurer’s Report:** Chris Wardell left his report in his office and would have one for us at our convention in April of next year.
7. **State Treasurer’s Report:** Kaycea Campbell gave us the Fall Advisory Board Meeting report that I am including in these minutes as Document #1: “Financial Snapshot for AGS”. (She had originally passed this report out at the Fall Advisory Board Meeting in the morning and had given a thorough explanation of it that we heard then.)
8. **Old Business: None**
9. **Unfinished Business: None**
10. **New Business:** Obed Vazquez told us that he had received a report from Monica Peterson of Stifel, Nicolaus and Company, Inc. over the summer about what our future course of action might be in terms of our endowment funds. During our last Board of Trustees meeting, we had agreed that if our total assets reached $750,000 or more that we would consider liquating the annuity, Lincoln National Choice Plus L-Share Variable, the equity, Ford Motor Company, and the mutual fund, AB Relative Value and restructure our endowment fund. We learned that the assets had gone beyond the $750,000 figure so we then began the discussion of liquidating our assets. To get out of the Lincoln National Choice annuity, Obed noted that we would need the signature of the annuitant, Steven Wallech, who had retired from our organization. Obed informed us that Steven had volunteered to come to our meeting with the necessary signed contract allowing us to leave the annuity. (As it turned out, Steven was unable to attend the meeting but he did get the contract to Obed who mailed it to our new financial advisor, Monica Peterson.)

We talked about trying to generate $15,000 per year for scholarships once we liquidated Ford, AB Relative, and Lincoln National Choice, and determined where to then put our approximately $750,000. We all agreed that a portion of our assets should be in conservative type funding versus the other portion of money being in growth type funding that would be in riskier. Initially we considered what we might do with a total of $700,000. It was suggested that the money should be divided into two pots, one where we invested $300,000 conservatively, and the other where we invested $400,000 more aggressively. We then went on to debate the breakdown in terms of percentages whether the split should be 60% conservative funding and 40% growth funding, or that the split should be 50% conservative funding versus 50% growth funding. We all hoped we could find the right split so that we would be generating the $15,000 scholarship funding while also seeing our total endowment fund grow in value. We agreed that we needed to listen to our new financial advisor, Monica Peterson, to help us find the right balance to achieve our objectives.

It was noted that the funds would be much more flexible than having most of our money in the Lincoln National Choice annuity, and we would be able to make adjustments as necessary. We might even consider having virtual meetings in the future to make decisions between regular meetings if we needed to make changes in how we were investing the assets in the endowment fund.

We discussed convention profits in the future. We mentioned discontinuing this revenue stream in order to lower the costs for students which are expected to increase dramatically during the next decade.

We also discussed the State Treasury which has approximately $150,000 in total and is under the jurisdiction of the Board of Trustees. We discussed potentially getting involved in 9-month Certificates of Deposit to generate more income. We also discussed moving our $150,000 out of Wells Fargo based on the bank’s unethical behavior. We did not make any decisions about the CD’s or leaving Wells Fargo. These issues were left to be “Old Business” at our next meeting.

After a lengthy discussion of our financial future, the following motions were made: **MOTION #1)** Chris Wardell moved that we liquidate our assets, Lincoln National Choice, Ford, and AB Relative. Kaycea Campbell seconded the motion. **(MOTION #1 CARRIED.) MOTION #2)** Chris Kox moved that we use our total funds after liquidating Lincoln National Choice, Ford and AB Relative to invest in funds that would generate approximately $15,000 annually for scholarships and put any additional profits generated back into our endowment fund for more growth. Terry Green seconded the motion. **(MOTION #2 CARRIED.)**

We recessed at 2:25 PM to wait for the arrival of Monica Peterson who was due to arrive at 3:30 PM.

We reconvened the meeting at 3:20 PM when Monica arrived from Visalia, California. She brought three documents to help us. I am including them in the minutes as Document #2: “Stifel Portfolio Review”, Document #3: “Hypothetical Report of Mutual Funds”, and Document #4: “Washington Crossing Advisors Rising Dividend Portfolio”. I am not including the disclosures statements from the documents to decrease the length of these minutes.

Monica informed us that in order to accomplish our objectives from Motions 1 and 2, that she would start by putting 2/3 of the balance after liquidating the Lincoln, Ford and AB Relative, in the conservative “Hypothetical Report of Mutual Funds” and 1/3 of our money into the higher growth “Washington Crossing Advisors Rising Dividend Portfolio”. (This split of 66 2/3% conservative funding versus 33 1/3% growth funding was quite close to the 60% conservative funding versus 40% growth funding that we had discussed earlier in the meeting.) She mentioned that she would leave $16,000 in our money market account so that money would be available for scholarships in 2018 from the Board of Trustees. We all agreed that we would move forward with Monica’s plan. We felt we had a path forward that had lesser fees, a bit more risk, yet higher potential for growth of the endowment fund!

1. **Adjournment:** The meeting was adjourned at 4:30 PM.

Secretary’s Note: During the meeting we discussed the Lincoln National Choice as if it represented all of our assets. (This is not the case.) I have written the minutes so that all of our assets that we could liquidate are included because that was what we were considering. So when we talked about the Lincoln National Choice in terms of liquidation, I have changed that to Lincoln National Choice, Ford and AB Relative. By making this change, I believe I am more accurately capturing what we were discussing at the meeting and what we were attempting to accomplish.