**ALPHA GAMMA SIGMA BOARD OF TRUSTEES**

**SPRING MEETING MINUTES**

**April 21st, 2017**

**DoubleTree Hotel, Ontario, California**

1. **Call to Order:** President Obed Vazquez called the meeting to order at 5:23 PM. We had to start a little later because advisors were having a hard time getting to the hotel because of the traffic.
2. **Approval of Agenda:** The agenda was approved with the following additions and corrections: 8. Old Business: Item 1: Retirement Conversations, 10 2b: Ending Terms: Chris Kox only, and 10 3: Proposal for a Fundraising Committee.
3. **Introductions of Trustees:** Jacqueline Faris, Erik Fritz, Terry Green, Chris Kox, Jennifer McBride, Obed Vazquez and Chris Wardell introduced themselves. Lisa Carlsen was not present. Also, neither of the two student trustees, Sara Williams from Las Positas College and Isabel Shaw from Pierce College were present. Our financial advisor, David Sharp, who had driven down from Visalia, introduced himself. Kaycea Campbell was attending the meeting as a guest.
4. **Approval of Minutes of October 1, 2016 at Frenso City College:** The minutes were approved with one correction: Item 10 2E should read Trustee- Jennifer McBride: 2016-2018**.**
5. **Announcements: Any Trustee’s completing terms? Other?** #1)Chris Kox announced that even though he was retiring and would be leaving the Board of Trustees, he would still come back and be the President of the State Advisory Board for 2017-2018. #2) Chris Wardell told us that Steve Wallech was still the annuitant on our Lincoln National Choice Plus Lshare Variable Annuity. Chris Wardell told us that he tried to become the annuitant but was told that the annuitant could not be changed again. (Tom Jackson had once been the annuitant and Steve Wallech had replaced him.) #3) David Sharp, our financial advisor, informed us that upon the death of the annuitant, in our case, Steve Wallech, our organization would have to cash out of the Lincoln Annuity at its value at the time of the annuitant’s death. #4) It became clear to the board that we needed to consider what our goals are in terms of our endowment fund and to determine when would be the appropriate time to cash out of the Lincoln Annuity in the future. #5) It became clear that we would decide on what we should do with the Lincoln Annuity at our October meeting based on how it was doing at that time.

1. **Treasurer’s Report:** Chris Wardell submitted the following report about our assets as of March 31st, 2017.

**AGS Trust Assets: 3/31/2017**

Total Assets April 1st, 2017 **$710,850**

Total Assets March 31st, 2016 **$599,938**

Change in Fund Value: **+$110,912**

Cash Received: $15,000

Income and Distributions: $3,658

Increase in Value: $92,254

Change in Fund Value: **+$110,912**

Assets 3/31/17

Cash

Money Market: 23,461

Equities

Ford Motor Co 391.98: $4,563

NESCO 2,500: N/A

Mutual Funds

AB Rel Value 9435.207 $53,969

Insurance

Lincoln National Choice

Plus Lshare Variable

Annuity **$628,858**

Total Trust Asset

Market Value 3/31/17 **$710,850**

Chris Wardell in conjunction with our financial advisor, David Sharp, submitted this next report about our account at Stifel Nicolaus on April 19th, 2017.

**Alpha Gamma Sigma Account at Stifel Nicolaus on April 19th, 2017.**

Account value at about $705,838

Account in cash is about $23,460

Account invested is about $682,378

Recap for about the last 7 years:

Year-end Value Deposits Withdrawals

2010 $420,837 0 $3,500

2011 $400,050 0 $4,000

2012 $441,628 0 $6,669

2013 $566,536 0 $3,512

2014 $610,605 0 $0

2015 $603,097 0 $0

2016 $658,171 0 $0

4/19/17 $705,838 15,000 $0

In our account whose name is Alpha Gamma Sigma and whose number is #5733-5954, we had an exact total account value of $705,838.96 as of 4/19/17. The account had a total market value of $682,278.34 and a Total Cash Balance/MMF of $23,460.62. Our month end values of our account starting with January, 2016 are as follows:

January, 2016 $551,433.64

February, 2016 $563,616.56

March, 2016 $599,938.01

April, 2016 $608,252.20

May, 2016 $614,204.05

June, 2016 $603,217.01

July, 2016 $631,629.59

August, 2016 $636,449.13

September, 2016 $633,777.73

October, 2016 $625,501.71

November, 2016 $646,640.55

December, 2016 $658,171.16

**January, 2017 $671,623.54**

**February, 2017 $709,177.22**

**March, 2017 $710,850.29**

The report also included the following data about our investments:

Quantity Description 1 Market Price Value

9,435.270 AB 5.6700 $53,497.62

391.9800 Ford Motor Co 11.1400 $4,366.65

2,500 NESCO Inc $?

300,000 Lincoln National Life $622,720.33

From the above sets of data, we learned that the value of our endowment fund had experienced tremendous growth in 2016-2017 reaching a high of $710,850.29 at the end of March. We learned that one of our investments, NESCO Inc had no value at this point but we still owned it. David Sharp told us that he would get information for us about NESCO so we could decide what future action we should take if any.

David Sharp told us that the locked-in value of the Lincoln Annuity was $562,921 as of October 31st, 2016. This is the value we are guaranteed to receive if we were to cash out even if the value were to drop below that figure. He told us that if we so desired we could take out $28,000 for the next 20 years. He told us that we could cash out now and get the $622,720.33 from the Lincoln Annuity. He indicated that he felt that the stock market was going to continue to be strong in the months to come and that now was probably not the best time to cash out of the annuity. What he suggested was that we should wait until the Lincoln Annuity locked in at more than $600,000 which could happen as early as October 31st, 2017. We mentioned that we would like to have at least $700,000 when we cashed out. He advised us that one scenario would be to put the $700,000 in certificate of deposits at 2% interest and generate $14,000 in scholarship money. This scenario would not promote growth because of inflation but it would be safe. Another scenario he suggested was that when we have $700,000 at our disposal that we put $400,000 in investments that would earn 4% interest and generate $16,000 for scholarships, and put the remaining $300,000 in stocks with more growth potential. He felt this was a better course of action because it would allow for both scholarship funding and the growth of our endowment fund. He informed us that when we do decide to liquidate the Lincoln Annuity that all the Board of Trustees would probably have to sign a form to take care of this business transaction.

Our financial advisor, David Sharpe, announced that he would be retiring on June 30th, 2017. He told us that he would be leaving us in the very capable hands of Monica Peterson, a colleague of his at Stifel Nicolaus for the past 18 years. He told us that he would develop a plan for us about our possible moves in 2017-2018 and pass that plan on to Monica. Ideally she would be able to bring that plan to us to our next Board of Trustees meeting in October. He predicted that our portfolio would continue to grow and we might think about selling the Lincoln Fund when it reaches a value of $650,000 or when our total portfolio has a value of $730,000 to $740,000. He made a guess that we might be able to cash out at our October Board of Trustees meeting or sometime in early 2018.

1. **State Treasurer’s Report:** Jacqueline Faris gave us the following report about the State Advisory Board Treasury:

|  |  |  |
| --- | --- | --- |
|  | $158,646.79 | **Money in the bank as of 3-16-2017** |
|  |  |  |
|  | $39,814.50 | earmarked for scholarships/endowment |
| Plus | $10,865.76 | Money that belongs to the Jewelry account |
| Plus | $10,486.04 | Money that belongs to the Operating Budget account |
| Plus | $1,813.29 | Money From FAM. |
| Plus | $74,485.98 | Money from convention profits that have not been used for scholarships (includes $2100 held over from 2016) or special projects |
| Plus |  |  |
| Plus | $23,181.22 | Starting balance in 2005 |
|  |  |  |
| Equals | $160,646.79 |  |
| minus | $2,000.00 | Money spent on special projects |
|  |  |  |
| Equals | $158,646.79 |  |
| difference of | $0.00 |  |

Jacqueline told us that we had $72,385.98 not including the $2,100 that was not used for scholarships last year that is available to cover state convention costs to the hotel before the convention. She developed this fund so that she would be able to cover the large sum of money to be paid to the hotel before the convention. This slush type fund allowed her the ability to make sure she had enough money to pay the hotel even though many chapters’ payments for the convention had not arrived. Her development of this fund by using convention profits over the last few years has made her job as state treasurer far less stressful in the weeks before the convention. She would like to see the fund have approximately $75,000 in it for who presumably will be the new state treasurer, Kaycea Campbell. (Kaycea will be nominated for the position at the State Advisory Board Meeting tomorrow.

She also gave us the following Scholarship Report:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Scholarship money collected in 2016 for 2017** | | | |
|  |  |  | BOT share |  |
|  | Bell | $235.00 |  |  |
|  | Coffey | $283.00 |  |  |
|  | General | $940.00 |  |  |
|  | Jackson | $790.00 |  |  |
|  | Loly | $36,271.50 | $18,135.75 |  |
|  | Mantovani | $1,040.00 |  |  |
|  | Taylor | $20.00 |  |  |
|  | Walsh | $235.00 |  |  |
| **TOTAL** |  | **$39,814.50** | **$21,678.75** |  |
|  |  |  |  |  |
| Scholarship $ not spent in 2016 | | $2,100 |  |  |
| Half of 2017 Convention Profits | | $5,000.00 |  |  |
| BOT Donation | |  |  |  |
| SAB Donation | |  |  |  |
| **TOTAL if BOT gives us their share back** | | **$46,914.50** |  |  |
|  |  | $37,900.00 | awarded in 2016 |  |
| **TOTAL if BOT does not give us their share back** | | **$28,778.75** |  |  |

Jacqueline Faris asked Jennifer McBride how much money she would reasonably need to give out as scholarships at this convention. Jennifer said that she would be satisfied with $39,000 to $40,000. The Board agreed after much discussion that we could afford to give out even more this year in scholarships because our portfolio had grown dramatically in 2016. It was agreed that we should give Jennifer and her Scholarship Committee an all-time record of $45,000 to be handed out in scholarships. Jacqueline asked Jennifer to give out the entire sum of money because a left-over sum of money made her accounting more difficult. Jennifer agreed to give out the entire sum of $45,000 and have nothing left over.

The Board agreed that the $45,000 would come from the following sources: 1) the total of the normal scholarship money collected to given out: $21,678.75 2) the scholarship money not spent in 2016: $2,100, 3) all of the expected 2017 Convention Profits: $10,000 and 4) and an additional $11,222 from the Board of Trustees Loly money for a total of $45,000.75. (Note: We did not account for the extra $0.75 at the meeting because we were in a hurry to finish so that Jennifer could go to her Scholarship Committee meeting.) Jennifer then went to the Scholarship Committee meeting knowing that the committee would have $45,000 to spend and be able to increase each of the different scholarship types at least $100.

1. **Old Business: None**
2. **Unfinished Business: None**
3. **New Business:** The Board agreed that Kaycea Campbell, Megan Lange, and Valerie Venegas would be nominated at the State Advisory Board Meeting tomorrow by our President, Obed Vazquez, to serve on the Board of Trustees for two-year terms from 2017 to 2019.
4. **Adjournment:** The meeting was adjourned at 6:30 PM.