

The Leota Braun Foundation, Inc.

July 22, 2021 Meeting Minutes

The Leota Braun Charitable Foundation, Inc. held its quarterly meeting on July 22, 2021, at 7:00 P.M. in the library meeting room. President Tammy McDonough called the meeting to order. The following members were present: Tammy McDonough, Fred Getz, Melanie Shindeldecker, Ryan Twigg, Kevin Krall, Leah Thompson, and Executive Director Susan Sheppard. Lisa Sheppard, and Cindy Canary were excused. Donna Bates was absent. Visitor Andy North was also in attendance.

Tammy welcomed Mr. Andy North of Edward Jones to our meeting. Mr. North thanked the Leota Braun Board of Directors for having him. He shared that he has an office in Delphos for anyone who is unfamiliar with his office location. He explained this is the 12th anniversary of working together; we began working together on August 19, 2009.

Tammy shared with Andy that Leota Braun recently approved a change of investment policy and agreed to share a copy of the changes with him.

Policy Change revised 7/22/2021 (under General Operating Policies):

If a fund wishes to dissolve their account with Leota Braun Charitable Foundation, they may do so at the end of each quarter (March, June, September, December) so the applicable investment gains/losses along with the .25% administrative fee for that quarter can be debited/credited to the account.

All liabilities including all applicable withdrawal fees and/or penalties for the fund must be paid in full. A detailed list of names and addresses of the charitable organization(s) who will receive the fund's assets must be submitted to ensure the fund is not withdrawn for personal use.

As of the meeting, Andy shared that Leota Braun was made up of 67% cash/bonds and 33% stocks. Since the inception of the account in August 2009, Leota Braun has seen a 5.71% avg. rate of return. We are considered a "Balance Toward Income" portfolio. Nothing is in "Aggressive" categories, and we currently do not have international funds which Andy suggested we may want to consider down the road.

Andy presented a portfolio analysis of the Leota Braun Charitable Foundation account. As of 7/22/21, the total account balance is \$372,087.87, which includes \$371,646.39 (market value of investments) and \$441.48 (cash). The breakdown of investment funds includes:

Stocks: \$52,370.96; Exchange Traded & Close End Funds: \$123,132.41; Mutual Funds: \$19,140.42; Corporate Bonds: \$123,126.45; Certificate of Deposit (CDs): \$30,000.45; Government Bonds: \$23,875.70 > **TOTAL: \$371,646.39**

Included in the presentation, Andy shared the estimated investment income is \$9,117.32, the average per year.

Ryan Twigg expressed a concern that could cause issues for all fund holders of the organization: If fund holders pull out large sums of money and we lose the good interest rates that we currently have on our bonds (for example those like AT&T receiving 5.35% interest) if we should have to cash them out to pay out funds to requesting fund holders. Fred Getz shared that he has comments on that which he will share later in the meeting. Other members expressed similar concerns.

Andy was excused from the meeting following his presentation.

Additional comments regarding Leota Braun investments:

1. Fred Getz' comments on Ryan's concern – "Yield to Maturity" (above or below par value). The idea of doing better in stock markets. Fred expressed he purchases a document that helps him know good investments. If we choose to go riskier, he proposes to go with something he has the ability to watch.
2. Melanie Shindeldecker shared that she wishes to include a questionnaire with annual statements asking members if they have any major projects upcoming in the year, so as a Board, we can better predict how best to put their money to work for them.

Proof of the Meeting- E-mails were sent to the board for the July 22, 2021 meeting.

Reading of the Minutes- The minutes of the April 22, 2021 board meeting were distributed via e-mail to members prior to the meeting. Melanie Shindeldecker moved to accept the minutes. Kevin Krall seconded the motion. The motion was approved.

Treasurer Melanie Shindeldecker reported a checking account balance as of 6/30/21 was \$18,440.55. Investments as of 6/30/21 were \$366,575.89 for a total fund balance of \$385,016.44. Second quarter receipts were \$56,475.94 which includes \$42,000 withdrawal from investments and disbursements were \$60,311.20. Ryan Twigg moved to accept the Treasurer's report. Fred Getz seconded the motion. The motion was approved. Kevin Krall moved to accept Receipts & Disbursements as reported. Ryan Twigg seconded the motion. The motion was approved.

Officers Report:

President- no report.

VP- no report.

Secretary- no report

Treasurer- Fund Update: Veterans Memorial - Reed Shaffer said they may be getting a rather large display piece, which will cost money to move. He said there is also an outstanding bill that needs to be paid yet from this account. He said more donations may be forthcoming.

Rockford Bicentennial – Melanie is waiting to receive at least one if not two outstanding invoices that need to be paid from this fund. After these bills are paid, it is the committee's wish to transfer their remaining fund balance to the Shanes Crossing Historical fund.

Parkway's Fight Against Cancer – we were contacted this past spring about disbursing all but a small portion of their account. As of this date, Melanie is still waiting to receive disbursement forms.

Shanes Park Capital Improvement – their intention is to replace the \$5,000 they requested for the pickle ball courts.

America Legion – water main pipe burst.

Mendon Union Rec Assn. – they have decided to no longer be in operation after this year. They are requesting to dissolve their funds.

Band Trip this fall- Kendra is wondering if it is possible to put their monies towards their September payment/deposit.

Veterans Banners – the village is accepting banner orders until August 20th. Melanie has received money for 5 banners in the past month. After August 20th, they will no longer accept veteran banner orders. It is their intention to have the banners made and hung up in town by Veterans Day. Brand It Marketing is keeping me up-to-date on the project by copying me on emails. \$500 worth of banners was recently received.

There is one new fund – Willshire Museum Fund. They opened their fund with a \$1,400 deposit. The committee has applied for a grant. I am unsure of the status of that grant.

Med/Dent Fund – certified letters were sent to the loan recipients Chris Brazle and Karisson Clifton and their parents as co-signers on the loans. All certified letters, which contained copies of their loan paperwork, were delivered, according to the US Postal Service tracking information. Thank you to Cindy Canary for her work in finding current addresses of the recipients and parents. Chris Brazle has paid his loan in full of \$3,500. No response yet from Karisson Clifton or her parents. The letters stated they had until December 31, 2021 to pay their loan in full without interest charges.

Electronic votes from last quarter reviewed: MURA requested \$2,000 for concession stand food and paying for insurance coverage; American Legion requested \$2,535 for veteran's memorial signs; Shanes Park requested \$5,000 for pickle ball court at the park; Willshire Park requested \$4,072 for walking path coating. All electronic votes were approved as listed above.

Investment Committee- Fred reported that our investments are at a 37.8% risk. Just a note: Money market at Edward Jones is just as a convenience because it is not making anything on the Franklin (0%). Melanie asked if it would be better to move to a savings to make a small amount. Tammy stated it was for convenience. Fred added we have a \$15,000 CD coming due at the end of July (it comes due every 6 months) or we can renew it for a year. Kevin Krall proposed to take \$5,000 of the CD coming due and place in Franklin. Fred will restructure the two \$15,000 CDs into three \$10,000 CDs, maturing every 4 months. Melanie made a motion to accept Fred's

restructuring the two \$15,000 CDs into three \$10,000 CDs, maturing every 4 months, seconded by Fred. Motion was approved.

Audit Committee- no report.

Finance & Gifts Committee- no report.

Promotions- no report.

Events Committee- Tammy shared she is working on a letter to be sent out later in the fall.

Nominations Committee- no report.

Grants and Distribution- no report

Executive- no report.

Old Business:

External Audit – the Board wishes to revisit conducting an external audit with Steve Samples in January 2022. Of the three sections outlined – Policy Review, Cash, and Investments, the Board agreed the one area they believe could be beneficial would be a Policy Review. Since Tammy and Kevin recently conducted an internal audit of the finances, the Board felt the one area that hasn't been addressed recently is Policies. The Board will revisit this discussion in January 2022.

Exit strategy for Funds leaving LBCF – Melanie also noted according to conversations with Mercer County Foundation and Van Wert County Foundation, funds being dissolved must go to another charitable organization. Neither charge commission fees because of the size of their respective accounts.

Policy Addition – Melanie proposed an addition to the policy: dissolving at the end of a quarter to reflect the debit or credit associated with fees and/or penalties. The policy also included the updated copy to reflect funds must go to a charitable organization.

Per above: Policy Change revised 7/22/21 (under General Operating Policies):

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A motion by Kevin Krall to accept the above policy addition, seconded by Melanie Shindeldecker. The motion was approved.

Outstanding Med-Dent Loans – Melanie shared Chris Brazle paid his outstanding balance. Karisson Clifton has a remaining balance of \$3,700. The Board has agreed by way of letter to extend her deadline to pay her outstanding balance until December 31, 2021. If the account has not been paid at that time, the Board will consider alternative options to recoup those funds.

Candidates for BOD- the Nominating Committee will review potential members and invite him/her to the January 2022 meeting. The Nominating Committee will be looking at identifying someone from the Mendon or Willshire communities for representation from those respective areas.

New Business:

Student interviews – table until next year.

Scholarship Fund- the fund presently has \$493.09. The Board wishes to pay out the remainder of that fund to dissolve that fund line. It was originally used to pay out LBCF scholarships but has not been used in a number of years. A motion by Ryan Twigg to pay out the remainder of the funds to 2021 scholarship recipients and dissolve this fund, seconded by Fred. The motion was approved.

Ryan Twigg moved to adjourn. Kevin Krall seconded the motion. The motion was approved.

The next meeting of the Leota Braun Charitable Foundation will be held October 28, 2021 in the Rockford Library at 7:00 p.m.

Submitted by:

Approved by:

Cindy Canary, Secretary

Tammy McDonough, President