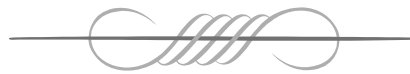

MINUTES OF THE MEETING OF THE INVESTMENT COMMITTEE

February 8, 2017



CALL TO ORDER / OPEN SESSION

Community director and committee chair Ernie Drewry called the meeting of the Investment and Finance Committee to order at 9:01 a.m. on February 8, 2017, at Harris Ranch.

Investment and Finance Committee present:

Ken Stoppenbrink, Staff Director and WHCCD Chief Financial Officer
Ann Stone, Community Director, Foundation Board President
Ernest Drewry, Community Director and Chief Financial Officer

Investment and Finance Committee absent:

Nina Oxborrow, Trustee Director
David Silveira, Community Director

Others present:

Frances Squire, Executive Director
Olga Keough, Accountant Technician

Public Comments

There were no public comments

Committee Reports

WHCC Foundation Portfolio Report was given by Frances Squire who apologized for Mike Urner and Dave Ivory not being there due to a foundation scheduling conflict. She noted that she, Ken Stoppenbrink and Olga Keough had a conference call with Mike and Dave on Monday, Feb. 6th to review the portfolio report. During the call, Mike noted that the fourth quarter of 2016 was one of the most volatile of his career, with one of the most profound bond market corrections in history taking place fueled by concerns about possible interest rate hikes. He said 10 year Treasury bond yields increased from 1.3 to 2.5 percent. He said the market is recovering quickly.

Bottom line, during 2016, the foundation earned a total return of 5.77 percent with total income earnings of \$137,495.48 from the portfolio. Total portfolio value on 12/31/2016 was \$2,521,511.30.

The fourth quarter consolidated report showed a loss of 1.12 percent. The fixed income summary showed a loss of 3.53 percent.

A couple of special notes on the fixed-income report:

- a. There was a \$4,012.06 lost reported based on two factors:
 - i. A \$1,660 loss was the result of municipal bond maturity, which was offset by income from those bonds

- ii. A loss of \$2,345 occurred when we sold other bonds to allow us to invest in WHCCD bonds.

Mike noted that we are well within the parameters of our investment guidelines and that he and Dave are both comfortable with 60 percent equities/40 percent fixed income split as appropriate for the level of volatility in the market today.

Actions Items

- No action was taken on the report

Adjournment

There being no further business before the Investment Committee, the meeting was adjourned at 9:54 am.

/fs