



MINUTES OF THE MEETING OF THE INVESTMENT COMMITTEE

February 18, 2015



CALL TO ORDER / OPEN SESSION

Community director and committee chair Ernie Drewry called the meeting of the Investment and Finance Committee to order at 9:00 a.m. on February 18, 2015, at Harris Ranch.

Investment and Finance Committee present:

Ken Stoppenbrink, Staff Director and WHCCD Chief Financial Officer
Ann Stone, Community Director, Foundation Board President
Nina Oxborrow, Trustee Director
David Silviera, Community Director
Ernest Drewry, Community Director and Chief Financial Officer, Foundation

Investment and Finance Committee absent:

Don Warkentin, Staff Director

Others present:

Frances Squire, Executive Director
Tina Simas, Foundation Secretary
Olga Keough, Accountant Technician
David Ivarie, Morgan Stanley Advisor
Mike Urner, Wells Fargo Advisor
Carole Goldsmith, Staff Director

Public Comments

There were no public comments

Committee Reports

Investment advisors David Ivarie, Morgan Stanley, and Mike Urner, Wells Fargo, attended the meeting to report on foundation portfolio performance for the fourth quarter of 2014.

Mr. Ivarie noted that the beginning value of the consolidated portfolio on Oct. 1, 2014, was \$2,127,042.36, with a loss for the quarter of \$8,039.58. Additions to the account during the quarter were \$262,997.41 and withdrawals were \$354,897.32. There were realized gains of \$554.90 with the total return for the quarter a negative .003 percent. Total return year to date is 6.96 percent. The total portfolio return since inception on 01/01/2013 has been \$133,000.94 for a yield of 3.74 percent. Targeted portfolio return is 5.0 percent. He mentioned that we are still digging out of the second quarter 2013 loss of 6.88 percent.

Director David Silviera asked about the value of \$100 invested in the portfolio and what it would be worth today. Mr. Urner answered that it would be \$105.74 or almost six percent, which represents a three percent annual return.

Much discussion ensued about reasons for market performance with Mr. Urner noting that the fourth quarter of 2014 had lots of moving pieces including all time low interest rates, no wage inflation and a drop of more than 50 percent in oil prices. He said there was a migration of money to safe investments, which is why our bonds performed so well during the quarter.

He feels that there is opportunity to take advantage of low stock prices—especially in companies that have passed the test of time and pay regular dividends. He also noted that we are well-positioned to withstand interest rate increases by the Fed.

Director Ernie Drewry noted that he is pleased with the portfolio performance.

Executive Director Frances Squire thanked the committee and the investment advisors for their in-depth analysis of the portfolio and said that it is important, as she and Dr. Gornick reach out to potential major donors, that she can assure donors that the foundation has a strong investment committee that pays close attention to portfolio performance.

Actions Items

No Action was taken.

Adjournment

9:59am

/ts