

TACF Finance Committee Videoconference Minutes July 28, 2021 – 11 a.m. EDT

Attending Committee Members: Steve Barilovits, Jay Cude, Lewis Lobdell, David Morris, Mark Stoakes, Don Willeke, Paul Wingefeld (staff liaison), Barb Tormoehlen [quorum established – 7 of 12 voting members]

Others Attending: Lisa Thomson, Cherin Marmon-Saxe

Absent Committee Members: Michael Doochin, Cartter Patten, Jim Searing, Brad Stanback

Interim Chair: Lisa Thomson shared news of Brian McCarthy's mountain bike injury and progress, and shared that Jay Cude (vice chair) has stepped in as TACF interim chair, indefinitely. Jay wore two hats on this videoconference – finance committee member and interim chair.

March 16, 2021 Minutes: Lewis Lobdell moved for approval; Jay seconded. **Unanimously approved.**

Treasurer's Report: Barb Tormoehlen shared the advanced copy of the Treasurer's Report to be presented at the August 13, 2021 Board Meeting. Paul Wingefeld discussed the FY 2021 Year-end. Income was nearly double that projected at the start of FY 2021, primarily due to investment income, forgiveness of Payroll Protection Program funds, and individual gifts. Seventy percent of the increase in individual gifts was due to five individual donations. One gift, in particular is targeted to be spent on specific projects (Scott Merkle and VA Tech) in FY 2022 and beyond. Expenses were on track, thus leading to a nearly \$2.3 million net gain.

- **Mark Stoakes** asked that, considering the gains, whether the science committee is considering spending on important scientific endeavors. Lisa shared that the science committee has met, and will likely in the near future, propose budget adjustments to the approved FY 2022 budget to fund *mission-critical projects*. Jay said they are already preparing a prioritized list with estimated amounts.
- **Don Willeke** suggested that the *external grants program* be expanded beyond its current funding level of \$50,000/annum, given the innovation and interest generated by relatively small funding amounts. Possibly both large and small expenditures could be considered. **Stay tuned for additional budget requests.**
- **Lisa** provided background on a few of the notable individual donors. A heartfelt gratitude for these generous and accomplished donors.
- Cash accounts, investments, and financial notables were also discussed. All present are comfortable with posting the FY 22 approved budget on the Finance Committee website, alone.

Lewis moved to accept the Treasurer's Report; Jay seconded the motion. **It was unanimously accepted.**

Asset Allocation was discussed, in light of the fact that our investments are now at an 83/17 (equity/bonds) allocation. **Brad Stanback** provided input, "With regard to the question about asset allocation, my recommendation is the same as what I've said before. I'm much more comfortable having a much higher percentage of equities rather than bonds, even at today's record equity prices. The same factors that make equities seem more risky make bonds seem MUCH more risky. I expect bond prices to fall with rising inflation and/or rising interest rates." **Mark** said he is comfortable with the current allocation. **Lewis**, in a departure from the past, suggested that he is more inclined to shrink the bond allocation to 10%, given current market conditions. **David Morris** suggested that with inflation on the rise ([2021 CPI and Inflation Rate for the United States | Inflation Calculator \(cpiinflationcalculator.com\)](https://cpiinflationcalculator.com)), and artificially suppressed interest rates (by the federal reserve board), TACF should look into dividend stocks for a portion of our equity allocation (in addition to our VTSAX holdings). **Jay** stated that with the potential increased spending for mission-critical projects, the funds could come from TACF bonds holdings, currently up to \$300,000 and still maintain an [Statement of Investment Policy acceptable range] allocation of 90/10. Any additional spending could come from equity holdings. **Barb** will investigate additional Vanguard funds to address David's concerns and suggestion, and will share with the full Finance Committee. **Otherwise, there will be no change in asset allocation at the present time, likely will come as Jay suggested.**

New Business – No new business. Thanks to all for participation, advice and counsel.

Videoconference Meeting adjourned at 12:05 pm.

Respectfully submitted, Barb Tormoehlen, Treasurer