



North Dakota National Guard Foundation
Board of Directors Meeting
Minutes – March 8, 2022 - DRAFT

Members present for the meeting:

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| X | President | BG Jackie Huber | | Director | BG Jon Erickson |
| | Vice President | Mr. Mike Aberle | X | Director | Mr. Arnie Strebe (V) |
| X | Secretary | Ms. Janette Fetch | X | Director | Ms. Kilee Harmon (V) |
| X | Treasurer/Advisor | Ms. Jennifer Scheet | X | Director | CSM Derek Heck |
| | Asst. Treasurer | Vacant | X | Director | Col Tad Schauer |
| X | Advisor (Legal) | Lt Col Michelle Hagel(V) | X | Director | Brig Gen Bob Schulte |
| X | Advisor (ND Cares) | Ms. Michelle Panos (V) | X | Director | Mr. Jeff Miller (V) |
| X | Director | Mr. Jeremy Olson (V) | X | Director | Ms. Lynn Bargmann (V) |

GUESTS:

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| Shirley | ND Military Museum Sub-Committee |
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Meeting was called to order by Jackie Huber at 4:00 p.m.

Introductions and Welcome comments from Jackie Huber. No Board Member Announcements.

OFFICER REPORTS:

Secretary's Report

1. Reviewed the minutes from January 25, 2022 meeting.
2. *Motion to approve minutes by Jeremy Olson, second by Bob Schulte, motion carries.*
3. Update: Cramer Chevrolet was submitted for the North Dakota national Guard Bridge Builder Award – this is an internal National Guard award that we have for community stakeholders. Annually these awards are presented at the Governors Ball, this year the Governors Ball is held in Fargo and so the committee that looks at these awards made the decision to postpone that award until next year when the Governors Ball is in Bismarck so Cramer Chevrolet would have more staff present. It was approved, but just hold off on presentation.

Starion Bank Update – Mr. Mike Daffinrud

Jackie asked Mike to give us an update with current world events and how our investment package is being affected.

1. If we look back to last year about rebalancing the portfolio, it did position us well. We ended the year with a little over a 16% total return to the foundation. We are positioned longer term for growth.
2. The markets are reacting to a lot of uncertainty and created volatility. The bigger factor the financial markets are dealing with is inflation and what is happening in the world is compounding this.
3. The Federal Reserve has been kept interest rates at 0, the fed is going to raise interest rates this month. Is inflation going to be a persistent problem? If so it will have an impact on interest rates.
4. Year to date our portfolio is down about 11% in line with the market as of yesterday. Having a 10% correction at any time is normal.
5. Do we have adequate liquidity over the next one or two years? Do you still look at the portfolio as a long term portfolio and looking to hold on to the investments long term no matter what happens to the financial markets? Willingness to ride through it, waiting for the eventual recover.

Question:

We have \$100,000 in checking – liquidity isn't an immediate issue. The investments we made were intended for long term. American Mutual Fund is down about 4%. Growth Fund of America is down 20% year to date. If we look at the last 12 months the one year return for American Mutual is 19% and that is with current sell out. The Growth Fund of America is slightly positive by 2%. The Fundamental Investor is down 12% but carrying a 10% return. If we avoided last year putting money into the large growth category, at some point we should have some money there.

Most of our investments are in value or blend type of funds where they have more growth. We do not have any real allocation to large cap growth type of funds and we should. We avoided it because we are waiting for a correction. At some point, if the market continues to correct lower we can exchange from one fund inside the fund family to another. I would consider the JPMorgan income builder – they have some really good large cap growth funds. Within the American Funds rebalancing towards their large growth funds even global growth funds to get a little broader diversification in the market and take advantage strategically to better position long term.

If as a board we decide we should have certain percent to large cap growth, getting a 20% allocation there at some point would make a lot of sense. The overall market is down 12%, it wouldn't be out of the norm to see a typical decline of closer to 20%. Getting more aggressive in large cap growth, if you get down to that level we want to move 20% over. Mike could contact the foundation to move that money, if we waited to schedule a meeting to talk about it The market moves fast, we might not be down only 20% anymore.

Put a plan into motion that if we get down to a certain level, let's move some money into large cap growth.

Do we need to make a motion to give Mike the flexibility to make that decision because things move rapidly and the time to make the decision could come and go quickly. We should have an emergency meeting with just a few board members to make that decision along with Mike. Mike cannot make a move without clarification/approval from the board. If we get into this situation, Mike would contact the board and let us know we should consider this move; within the next day or two we would have to make a decision. It sounds like we need an investment committee added to our charter with roles of this committee. Is there anything in the by-laws for voting without a quorum? We can set the rules as we see fit, but be specific so there are no liberties taken. The key is Mike notifying Jennifer. Mike will follow up with an email outlining suggestions.

Does the foundation have an investment policy and a spending policy? No. This is something we may want to look at. Mike has some very good resource tools how to outline and put together an investment policy.

Treasurer's Report

1. Overall the mailer that went out, just under \$33,000 that has come in from donation so far this year. The mailing went out late and was concerned we wouldn't see quite as much, but looking back at December of 2020 we had received \$28,000, in 2019 we received \$30,000, and in 2018 we received \$35,000. We were seeing a dip, but this year we went up. Most of the \$33,000 gain goes into the general fund.
2. The biggest expense for January was the pre-sort mailing and approved at the last meeting was the computer and printer (\$1,763.00). We also signed up for little green light and we are still in the free trial phase getting it set up. The Microsoft package and anti-virus needs to be purchased yet.
3. There was an error that we had on our proposed budget. The general fund section added the \$87,020 twice.
4. It looks like we have a net loss of \$8,918.00), but if you break that down into the different funds; General, ERF, and TAPS we budgeted 20,000 in ERF and we are only projecting to bring in \$6,000 of

revenue for ERF. So when you break it down into the general fund, we are positive for the year. The Presort bill is on the wrong line and will get moved up.

Comments: Jeff

Microsoft Office – can that still be purchased through the Air Guard Com Section for \$50.00? Bob Schulte will look into that.

Retirees Breakfast – they all liked the brochure that was put together. Owns Toyota Dealership in Bismarck (Cedric Theel), if someone could reach out to him for a donation to the foundation or museum it would be well worth it to reach out.

Old Business

ITEM #1 – Website

- We had a meeting last week with Mr. Russ Zuraff. Russ gave a presentation and we all agreed that he would do a great job to create a new website for the foundation.
- Arnie commented that Russ did a great job and for what we will be paying, it is reasonable for what he can do for us. The auto forms and replies, that would cost more than what his proposal was... so it will work out great. Sub pages he will be able to create and he is a known asset that does work with local companies that are not small companies.
- The functionality that WordPress format that he uses is great and we can also do surveys in WordPress.
- It was impressive. The analytics were nice, ability to pull all your data. It was a nice feature.

Janette made a Motion to hire Niktia Multimedia Services to create our new website with a dollar amount attached to this motion is up to \$2,700.00 to allow us the ability to create more forms if needed. Motion was second by Bob Schulte. Discussion below. Motion Carried

Question: Was that budgeted for this year? \$2,500 was budgeted. Was anything brought up about payment forms? Stripe will be used but the percent is 2.3% that are donating with an email that gets sent to the donor right away. Double check direct integration in LGL – so when it is set up, it will be integrated into the CMR right away as well.

Question: What will the reoccurring cost? Domain \$35.00, WordPress Hosting Plan \$400.00, Formstack \$250.00, WordPress WP Forms \$500, Analytics Plugin \$120.00. Yearly Cost: \$1,305.00 per year. It is well worth the money to have a more professional website.

Janette will send the quote breakdown to the committee.

ITEM #2 – Endowment Option – Kilee Harmon

- We are going through this process to make sure when we set up the endowment that it would qualify for the ND 40% income tax credit.
- Kilee went directly to Kevin Dvorak - in the by-laws there should be a statement that talks about a qualified endowment fund that the board of directors will establish a qualified endowment per the ND Century code. Develop a spending policy and investment policy to ensure we are executing the endowment in the prudent fashion.
- Michelle Hagel – That would create an authority? May establish a qualified endowment? Kilee will send this to Michelle Hagel. We would have to administer the endowment to meet the UMIFA. Two Century Code: Chapter 57-38 and Chapter 59-21 (UMIFA).

New Business

1. Mike Daffinrud was moved first on the agenda
2. Interview Recommendations – (copy of excel spreadsheet)
 - Government, Corporate, Private Individuals, Native American, Veteran’s, Education, ND NG Fdn Brd, ND HS Brd. If you have any ideas, email these ideas to Jackie Huber or Janette Fetch so when we attend the meeting next week we can bring these names to the meeting.
 - A group did get together once already, but looking for addition ideas. These are people that will be talked to for the feasibility study and will also be approached for donations.
 - Chairman Fox – Fort Berthold (per Jeremy Olson)
 - Individuals that have military ties and supportive stakeholders for this type of project.
 - Who are going the be the three board members? Arnie Strebe and Jeff Miller are getting interviewed already so we will not put them on this list. Board Members for list: Jeremy Olson? Bob Schulte? and Kilee Harmon (?) She needs to think about this because of her current organization.
3. Mike Aberle (currently service as Vice President), he resigned his position. We will have to make a decision to replace Mike Aberle. He was also part of the ERF and TAPS Committee Member and also a check signer. We will have to remove him as a check signer. Once Mike is taken off we have Jackie Huber, Jennifer Scheet and Derek Heck and two signatures are needed on each check. We will add whoever will be a replacement on that committee. There is not an urgency to add anyone on the check situation, Jennifer will remove Mike Aberle.
4. Finance Committee (per by-laws): Who would be interested in being on the Finance Committee? The by-laws state the treasurer plus four other members. Jennifer Scheet, Jeremy Olson, Derek Heck, Arnie Strebe, and Jackie Huber. Do our by-laws say that we can have outside people on our Investment Committee? Yes we can. It might not hurt to have someone from a different financial organization to be on this committee. Investment committee and wrap under the Finance Committee.
Derek Heck made a motion to establish the Finance Committee with Jennifer Scheet, Jeremy Olson, Derek Heck, Arnie Strebe, and Jackie Huber. Second by Jeremy Olson. Motion Carried
5. Jeremy Olson is running for State House of Representatives. Would that be a conflict of interest to the board if elected? If not, how could I benefit this board in that role? Not a conflict of interest.

COMMITTEE REPORTS:

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| ND Military Museum Sub-Committee Update | Jackie Huber/Arnie Strebe/Kilee Harman/Jon Erickson/Shirley Olgeirson |
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1. Meeting on Monday about the donor list
2. Meet with Capitol Grounds Planning Commission – MG Dohrmann will brief and hope to get a vote
3. Meet with PACE Fundraising to solidify handout materials for the feasibility study
4. Historical Society Foundation Board invited BG Huber to give a presentation. They also wrote a letter of endorsement for the study and project as a whole. This will be a good partnership with the foundations collaborating together. They have some stakeholders that will support this initiative.
5. Feasibility Study: we did a strategic pause until we receive confirmation of the location and to get the historical foundations support. Would they be competing with each other, just to solidify that with the letter of endorsement from them we just received.

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| Strategic Planning/Search Committee | Mr. Mike Aberle/ Mr. Arnie Strebe/ Mr. Jeff Miller |
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Need to redraft document

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| ERF Committee | CSM Derek Heck/Mr. Mike Aberle/Col Tad Schauer |
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1. Three requests in the amount of \$5,500. One went out this last week went out for \$2,000 that went out to a family member that got into a serious car accident. Another one had a pay issue and lost her job so granted amount to cover one month of monthly expenses for \$1,500. Another family granted \$2,000 that had a house fire to replace items needed for family. We budgeted \$20,000, we spent \$18,250 last year.

2. No TAPS requests

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| Donor Recognition Committee | Ms. Kilee Harmon/ Ms. Jennifer Sheets/ Mr. Arnie Strebe/ BG Jackie Huber |
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Jennifer sent another spreadsheet out and hopes this will be the last spreadsheet needed to send out because we will be using little green light from now on.

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| Website/Social Media | Janette Fetch/Arnie Strebe/Bob Schulte/Lynn Bargmann |
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Already covered in old business.

Once we get the website up and running we may want to think about creating a facebook page where people can also like, share and also have a donate option on facebook?

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| Next Meeting |
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Next meeting will be in May. Janette will send out a doodle poll and we will keep the same time of 4:00-6:00 p.m.

Motion to adjourn meeting was made by Derek Heck, second by Janette Fetch. Motion Carries. Meeting Adjourned at 5:30 p.m.

Janette Fetch, Secretary

Jackie a. Huber, President