

Newsome Trust Committee

11/17/2014 Meeting Minutes

- The meeting commenced at 3:00 PM
- Present: Mary Etta Schneider, HHS Board President & Chair (MES), Stephen Pratt Lumb, HHS Treasure (SPL), Rebecca Mackey, HHS Director of Operations (RM)
Via tele-conference: Pamela Bailey, DBFA VP for Finance & Treasurer, David DuBois, DBFA President
- MES reviewed Committee function and meeting purpose-to provide oversight of the Newsome Trust funds (invested by Wells Fargo) and related disbursements and distributions made from that fund and deposited into separate HHS-controlled DuBois Fort Fund held by TIAA-CREF. The Newsome Trust Committee reviews expenditures and makes recommendations to the HHS Board. The recommendations are not binding.
- Discussion of TIAA DuBois Fort Fund quarterly report and activity. RM-disbursement was approved for 18-month expenses at the last meeting, and funds were withdrawn from The DuBois Fort Fund in order to reimburse HHS for their outlay of these expenses. SPL updates on TIAA fund performance. 60/40 investment mix performing slightly above-market average year-to-date, showing a 10.3% return. MES explains accounting specifics as per DD's request: the DuBois Fort Fund is a sub-account under the HHS temporarily –restricted aggregate account. **RM will email one page aggregate performance report for all HHS Temporarily Restricted funds of which the DuBois Fort Fund is a part.**
- DD requests information re: Newsome fund principal. **RM will make inquiries with Wells Fargo,** but details may not be possible as HHS is beneficiary but neither owner nor trustee of fund. MES concurs that Wells Fargo serves as independent fiduciary of Newsome Fund. MES further notes that typical disbursement is \$11-12,000 annually, with a reconciled payment usually occurring in the subsequent year.
- Discussion of itemized Fort expenses (heat, electricity, security, insurance etc). HHS has moved to bi-annual rather than yearly or quarterly to maintain administrative efficiency and consistency. RM will send July 2014-December 2014 itemized accounting in mid-January for review prior to next NTC meeting. PB expressed review of utilities being funded by the DuBOis Fort Fund. MES reminded the committee that this has been reviewed in detail in the past. HHS used to charge employee surcharge costs as any contractor would do. HHS agreed to drop these, over time, from 25% to 15% to only actual hours billed to reflect true costs. This reduction was conceded by HHS in return for all maintenance costs being covered – as is for all other reimbursements from funds of other family associations. Past DBFA officers had agreed to this, noting that breaking out costs for certain rooms would be impractical. PB requested written agreement/memorandum from HHS Board to formalize what expenses are reimbursable from the DuBois Fort Fund.
- Discussion of Fort usage. Usage was agreed upon by DBFA officers and HHS, as welcoming gathering place with food in the spirit of the Old Fort restaurant. This interpretation was

endorsed by the DBFA with its funding of about ½ of the cost of the Fort kitchen. PB requested and exhibit referencing DuBois Family history be on display in the Fort. MES explained that exhibitions and DBFA promotion are not an authorized use of Newsome funds which are limited to preservation, restoration and maintenance of the DuBois Fort buildings and grounds. NTC discussions need to be limited to its defined legal role, which is separate from DBFA matters. RM-next meeting late-January to mid-February, pending arrival of TIAA CREF performance reports.

- MES notes likely no change to 60/40 investment strategy for 2015, although HHS has not made any formal decisions on this 3:40 PM DD exits call
- PB would like a discussion of any upcoming DuBois Fort projects at next meeting. RM notes no major Fort projects are planned for 2015.

3:45 PM-meeting adjourns

DRAFT