

Draft Minutes

May 5, 2011

TARC Board of Directors

- I. Call to Order
 - a. President Bill Bode, N4WEB, called the Board of Directors to order at 7:11 pm.
- II. Roll Call - a quorum of 6 members were present.

Board Member	Call	Present	Absent
Bill Bode, President	N4WEB	X	
Mike Fletcher, Vice President	NI4M	X	
Biff Craine, Secretary	K4LAW	X	
Cindy Feuer, Treasurer	N4CDF	X	
Bart Houser, W4DUG Trustee	AF4TK		X
Keating Floyd, N4TP Trustee	KC4HSI	X	
Jim Gerhart (3 yr - 2012)	WA3DIT		X
Jodi Pecoraro (3 yr - 2012)	KI4FWJ		X
Larry Gispert (3 yr - 2013)	KR4X	X	
Dan McDonald	KA2TOC		X
Carl Shawver	W4EIB		X
Total		6	5

- III. Officer's Reports
 - a. Secretary's Report
 - i. The minutes of the April 7, 2011 meeting of the Board were distributed by Biff, K4LAW prior to the meeting. With no corrections offered, upon motion by Larry, KR4X, and second by Cindy, N4CDF, the minutes were approved.
 - b. Treasurer's Report
 - i. Cindy, N4CDF, reported that funds on hand totaled \$4,078.27 plus reserves of \$1,096.95. A copy of the revised Treasurer's Report is attached to these minutes on which there is an ambiguity as to funds owed under accounts payable which the Treasurer will clarify. Biff, K4LAW moved to accept the Treasurer's Report, Bill, N4WEB seconded the motion which passed without objection.
 - c. Trustees Reports and General Business
 - i. Bill, N4WEB reported that the Microham switch had been worked with and is still not functioning. Biff, K4LAW will follow up on our outstanding claim from the August event. The switch is the last piece of damaged equipment that has yet to be restored to functionality.

- ii. Bill, N4WEB announced that our IRS filing was complete, our State of Florida corporate filing was complete.
- iii. Keating, KC4HSI reported success working on the receive issues currently plaguing the 147.105 repeater. A new dummy load was added and other issues seem to have successfully been fixed. Keating recognized Bill, AG4QX for his help and Mike, NI4M who had loaned his personal repeater to check to see if it was a repeater issue.
- iv. Bill, N4WEB reported that the Pro II from Position B is still being repaired in Michigan and that a call to Icom on May 3rd revealed that the Pro II had arrived with severe physical damage. The damage included:
 - 1. The radio looks like it was dropped on its face. The radio's:
 - 2. Sub-panel was bent
 - 3. The RF gain knob does not work
 - 4. Gain control does not function
 - 5. None of the pushbuttons work
 - 6. Volume control does not work
 - 7. Main tuning knob sticks
 - 8. Basically, none of the front panel functions work.
 - 9. The main panel is serviced by a single main board. That board needs to be replaced and the sub-frame straightened
- v. Biff, K4LAW advised that last year during the annual review of the TARC ByLaws, Cindy, N4CDF had suggested an attendance policy for Board members due to spotty attendance at monthly meetings. Discussion ensued with Mike, NI4M suggesting that there should be an amendment to the Bylaws that would make missing three Board meetings an automatic dismissal from the Board, pending the petitioning of the Board by the non attending member before replacement. This course was recognized by a consensus and an amendment will be prepared as part of this year's review.
- vi. Biff, K4LAW discussed investment strategies that had been explored. He reported interviewing two service providers to try and offer reasonable alternatives to having our Burke money waste away in certificates of deposit earning less than inflation and have identified two investment strategies. Our existing sources of revenue on an annual basis look like this:

Club Dues	\$3000.00
TARCFest Revenue	\$3500.00
Total Recurring revenue	\$6500.00

Our current "hard" operating costs look like this:

ARRL Liability Insurance	\$ 400.00
ARRL Equipment Insurance	\$ 850.00
Corporate Registration	\$ 65.00
Total “hard” operating costs	\$1315.00

Currently we operate with around \$5,000.00 per year that can be used for discretionary spending, although there are amounts we hold in reserve (10% TARCfest revenue) and we incur miscellaneous upkeep charges on consumable products, such as cleaners, paper goods, etc. This is the picture without factoring in revenue from the Burke money, however, short term market rates for CDs have gone from 4% when we began investing these funds to less than 1%, which fails to keep up with buying power of the dollar. In short, we are now losing money with our ultra conservative risk exposure. There are two strategies we should discuss and decide on soon.

Strategy One – Standard Securities Investment

Establish a brokerage account with Morgan Stanley Smith Barney which will allow us access to a number of investment vehicles from an account that will be charged a flat rate of 1.5% per year, based on our balance. This advisory account will allow us to trade without charge in a wide variety of investment products, with the guidance of MSSB to work toward our objective, which is to produce income with the Burke money to supplement the money received by the club for dues and TARCfest revenue. Sample returns on relatively conservative investments could yield between 7% and 10% or more based on the level of risk we choose to expose ourselves to.

Advantages

Money remains liquid

Higher returns than stated can be obtained by more risk exposure

Flat fee, with no other sales costs

Investment advice from MSSB broker to assist in meeting investment objectives

Able to react to market trends

Disadvantages

Management fee of 1.5% annually lowers yield

Closer monitoring of portfolio required

Possibility of reduction/loss of portions of invested funds.

The type of funds that are contemplated for our needs resemble balanced mutual funds that have a steady yield, are somewhat risk adverse and lack the volatility in either direction of an individual stock.

Strategy Two - Market Linked Certificates of Deposit (MLCDS)

Buy MLCDS with HSBC through with The Legend Group with our advisor being George Goodroe, K4CFP, a certified financial planner and former club member. These investments are interesting in that the return on the investment is capped when you purchase it but you will never lose the principal invested because it is FDIC Insured. Here's how it works. Each month there are fund groups that are put together from stocks. There are about 8 of them, however, there are 3 that are favored as providing consistent returns. When you purchase a fund, you own the same handful of stocks until you cash out with a know floor of 0% return and a ceiling that you will know when you buy the fund. Most of the returns are running between 7%-10%. For example, take the US Titans fund and a cap of 7%. In year 1, let's say the stock portfolio you have bought into by investing in the US Titans fund makes 4%. You make 4% on your funds invested, paid out annually. Let's say in year 2, US Titans fund makes 15%, you make 7% and HSBC keeps the rest. Let's say in year 3 US Titans fund you bought in year one loses 8%. In year 3 you make nothing, but do not lose the principal invested. Your return in year 3 is simply 0%. The fund you purchase is yours for 6 years and there are penalties for bailing out early through the first 4 years. For example, you can cash out after year one for 3.5% (4.5% on broader funds like Oppenheimer which must be held for 7 years). After year 2 the bailout will cost 2.5% etc. dropping a point each year.

Advantages

Buy it and forget it. No market watching needed since you are locked in to the mix of stocks in the fund for 6 (or perhaps 7) years.

FDIC Insured to \$250,000 if held to maturity.

Money invested not exposed to loss, if held to maturity.

Annual income paid out.

Disadvantages

Inability to modify portfolio without penalty.

No big wins above cap.

No ability to vary the stock mix, what you buy is what you have for the 6 or 7 year holding time or incur penalty to get out

Limited choice as to investment mix within funds

Protection of investment by FDIC only guaranteed if held to maturity.

This strategy is less reactive to market trends, which means you may experience years with no or minimal gains, which is not a bad thing, however, the lack of flexibility to ride or avoid trends in the market, good or bad, is somewhat troubling.

Following this presentation, general discussion ensued with a consensus that the Morgan Stanley model of investment advisory account was a better fit for the objectives of the club investment strategy. In further discussion, it was moved by Mike, NI4M and seconded by Keating, KC4HSI to go with the Morgan Stanley Advisory Account and that prior to a final decision in June that Biff, K4LAW ask Morgan Stanley to provide us recommended funds to purchase that meet their understanding of our investment strategy and that we make the decision next month. The motion passed unanimously. Keating, KC4HSI thought that the decision in June should be made by a supermajority (3/4ths of the Board) and made a motion to that effect which was seconded by Biff, K4LAW. Following discussion, the motion failed by a vote of 4-2. It was suggested by Mike, NI4M that we should determine at the June meeting whether we have a consensus for this investment strategy and as such we would not need a supermajority.

- vii. Bill, N4WEB discussed the generators for that Joe, K4TJO had gotten running and tested. The consensus was that we did not need the 65KW Generac and that we would keep the 30KW Generac for use by the club. Rather than the \$4,800.00 price mentioned at the Board meeting, it was thought by several Board members we could get more. A figure of \$7,000.00 or best offer was thrown out for discussion by Mike, NI4M and although there was opposition to the higher selling price, it was determined that it would be or best offer and it was still a priority to engage in a quick sale of the 65KW Generac.

IV. TARCfest

- a. The upcoming TARCfest, TARCfest XXVI, will be August 20, 2011. Additional advertising on various ham reflectors will be accelerated.

V. Field Day

- a. Biff, K4LAW reported that several people had accepted positions with various aspects of Field Day and that the W4DUG training station could be housed at the EOC as a 1F station. Larry, KR4X noted that Warren, W1GUD was not going to be participating with TARC, heading up the SSB run station.

VI. Old Business

- a. There were no further items of old business.

VII. New Business

- a. There were no items of new business.

VIII. Adjournment

- a. There being no further items of business, on motion of Larry, KR4X seconded by Cindy, N4CDF the meeting was adjourned at 8:22 pm.