

SENIOR CITIZENS FOUNDATION, INC.

Meeting: August 15, 2023, 3:00 pm

JOYCE RAYE PATTERSON 50+ ACTIVITY CENTER, 100 S. 10TH STREET, ST. JOSEPH, MO

Minutes

Present: Shirley Bartley 2027, Sarah Cotton 2027, Michael Maguire 2026, Janie Kemp 2026, Charlie Clisbee 2025, Harlyn Fritzson 2027, Gene Egbert 2023, Janie Obermier 2023, Julie Noel, From Commerce Trust: Lori Boyer, Derek Gibson, Jeffrey Smith.

Absent: Barbara Braznell 2027, Drew Brown 2025, Connie Fleckal 2025, Patti Luedtke 2027, , Louis Patton 2024, Kathy Sager 2024, Sandy Swartz 2025,

The meeting was called to order by Shirley Bartley and attendance registered.

The minutes for the July 18, 2023 meeting were reviewed. Gene Egbert made a motion to approve the minutes as written. Michael Maguire seconded the motion. The motion passed and the minutes were approved.

Reports:

Commerce Trust Presented a review of our investments. Fees paid to Commerce Trust are assessed at 0.55% of the Portfolio Value.

IPS Review

IPS amended and approved as of 3/1/2023. No changes recommended at this time.

Performance

Our portfolio performed under the bench mark for 1% in Equities, and over the bench mark 0.4% in Bonds over the last 3 months.

Economic Update

Commentary: While central bankers appear to be containing any material contagion in financial markets, credit conditions will continue to tighten. Real GDP growth has already declined from 5.7% in 2021 to 0.9% in 2022. As the Federal Reserve raises rates and reduces the money supply the odds of a "soft land" decline, heightening recession risks late this year. Accordingly, we are recommending an under-weight relative to equity targets. We also want to have some cash in portfolios to be able to take advantage of likely volatility going forward and continue to employ a modest alternative allocation to diversify portfolio risk. While we see minimal upside to bonds, we are equal weight targets as the economy navigates a challenging environment. We prefer domestic stocks and bonds to international, especially as recessionary risks remain in Europe.

Supporting Conditions:

- Job growth remains resilient, even though it has slowed from last year's record pace while wages and salaries continue to increase
- Commodity prices peaked in the first half of last year, with energy and metal prices falling about 20% to 40% from their recent highs

- The 2021 infrastructure package is just beginning to provide ongoing fiscal stimulus for years to come
- Bond market forward returns will be boosted by the higher rate environment
- Core inflation measures have finally peaked and show modest improvement
- The Fed began to slow its interest rate hiking momentum, moving from 75 basis points to 50 basis points in December 2022. In February, March, and May of this year, the Fed moved to 25 basis points and paused in June.

Areas of Concern:

- The decline in leading economic indicators “LEI”, money supply, corporate profits, and the inversion of the yield curve point to future economic weakness
- The inflationary surge in 2022 was much higher than expected and forced the Fed to pivot aggressively pulling forward both the tapering process and the magnitude of the rate hiking process
- As millions of Americans resume paying back their student loans this fall, consumer spending could come under pressure
- Government funding expires on September 30th, setting up another spending showdown in Congress.
- Two-year Treasury rates remain higher than 10-year bond yields since early July 2022. This typically signals economic contraction within the next 18 months (the end of 2023).

Commerce Recommended Strategy:

- Under Weight in Equity
 - Emphasize Mid-Cap Versus Small-Cap
 - Emphasize Domestic Versus International
 - Equal weight Value Vs. Growth
- Equal Weight in Fixed Income
 - Duration in line with Targets
 - Emphasize Domestic Versus International Bonds
 - Minimize high yield exposure
- Allocation to Cash to be more defensively positioned.

Discussion followed the presentation. The board members would like continue with Commerce Trust as our investors.

Treasurer’s Report:

Harlyn Fritzson provided handouts for the Treasurer’s Report for July 2023. This included the payment and receipt log, expenses, Checking account balances and trust account information.

Bank account balance as of July 31, 2023 \$150.32

Balance at time of the meeting.	\$ 9,194.34
Trust Portfolio Value July 31, 2023	\$3,204,122.88
Year to date withdrawals from Trust	0
Monthly fees and deductions	\$1,399.38
Year to date fees	\$1,399.38
July income form Trust	\$3,679.28
YTD income from Trust	\$3.679.28

Mike Maguire made a motion to accept the treasurer's report. Gene Egbert seconded. A vote was taken, and the report was approved.

Director's Report

Julie Noel provided a handout with Highlights and Challenges, Activity Totals and Attendance at the Center.

A new treadmill and a rotary torso machine purchased by the Foundation have been installed. The Center was closed for cleaning July 10-14, 2023. JRP celebrated Parks and Recreation Week July 24-31, 2023. Special events were held and a free hot dog lunch was provide by the Foundation.

There will be a fall symposium with several topics covered focusing on health and lifestyle.

Julie is working with the Alzheimer's Association to provide monthly sessions on brain activity.

Wi-Fi is not operational in the multipurpose room. Julie has ordered extenders to correct the issue.

Old Business:

City Appointees will be voted on by City Council on August 21, 2023.

New Business:

Thanksgiving dinner is planned for November 16, 2023. Patti Luedtke will be asked to lead the project. Janie Obermier will assist with the project.

Committee Reports

a. Allocation Requests: No new allocation requests were presented.

b. Decoration Committee: Summer decorations are out.

c. Development Committee: There was a discussion regarding this committee. Sarah Cotton made a motion to discontinue this committee. Janie Kemp seconded the motion. A vote was taken, and the motion passed. Due to inactivity the Development Committee has been discontinued.

Next Meeting Date: September 19, 2023

Adjournment: A motion was made to adjourn by Gene Egbert and seconded by Michael Maguire. The meeting was adjourned.

Minutes submitted by Shirley Bartley