May Foundation meeting Monday, November 18, 2024 starting at 7pm EST

In attendance: Mal, Joan, Kathy (discussion leader), Melissa, Anna. Rob (minutes)

1. <u>Charities Distribution</u> (Melissa and Joan)

There are currently 52 non-profit charitable organizations the Foundation contributes to, or is considering. Seven non-profits are legacy groups that are permanently on the giving list, and not subject to biennial review. There are 36 non-profits that are subject to biennial review. There are nine non-profits that have been suggested for consideration by the Foundation for this year.
While the Foundation is always open to new suggestions, a goal is to streamline the list of donees. The periodic review of all non-legacy organizations aids in achieving those goals.
The donee list was not reviewed in 2023, so an examination of non-profits on the list would occur this year. Foundation members are charged with nominating
15 charities that they feel are worthy of being retained for 2024. The Foundation's 2024 donees will be selected in compliance with the members' wishes.
People should "vote" on their top 15 preferred organizations for the Foundation to continue supporting.
Melissa and Joan invite everyone to look over and check out the websites of the organizations that were newly suggested for this year on the same spreadsheets on lines 9-16
Kathy requested that Women DMZ, an organization she had recommended for consideration last year, be tabled this year.
Anna requested that the American Brain Tumor Association, that she has asked family members to contribute to, also be tabled this year.
Melissa's proposal to take steps to engage the next generation- Pop and Ellie's great-grandchildren (G4), was unanimously accepted by the group members. Under this plan,
the great-grandchildren of Pop and Ellie will be encouraged to submit ideas
for charitable contributions to the Foundation. Those ideas can be as general or specific as they are comfortable with. The process would be open to
parental involvement to the degree that is necessary, but the goal would be to focus on the wishes of the great-grandchildren. The Foundation would pledge a
designated amount to organizations consistent with the wishes of G4.
The process of sending letters accompanying the Foundation's donations was reviewed with the purpose of streamlining and simplifying the operation. Among the suggestions was a proposal not to include a tear-off receipt at the bottom of each donor letter or a stamp on the self-addressed return envelope. It was agreed by vote to continue to include the tear-off receipt on the letter, but not to include postage on the return envelopes.

2. Financial Report (Anna and Rob)

Anna and Rob spoke with Mehul, the Foundation's financial advisor on the previous Friday, November 15th. Their report is based on that conversation.
The Foundation's investment returns are very close to the designated targets. The Foundation's target is to allocate 55% of our resources to stocks. Currently 57% of our portfolio is invested in stocks. The Foundation's bond target is 44%. with 1% as cash. The portfolio holds 43% in bonds. Mehul sees no need to rebalance the allocations at this time.
Year-to-date, our investments are up 14.5%. The Foundation has a total value of $1,360,000 in its investments. The value of our holdings have gained $179,000 in 2024. This year the Foundation was given shares of AT&T from Grandma Ellie's Estate. AT&T generally records modest growth and is traditionally held for its dividends. But it has benefited from research into AI technology, and surprisingly, was the second-best performer in the portfolio and yields a current dividend of 4.9%, slightly above what is customary. The best performer in the portfolio is Oracle whose value gained 80% this year, also benefiting from AI development and tech industry build-out. The Foundation's holdings of Cisco, First Solar, AmGen all made respectable gains, while AMD, Hannon Armstrong and Parnassus Investments were among the holdings that declined in value over the course of the year.
Mehul sold some shares of First Solar, successfully capturing a capital gain. Mehul sold all of the fund's Parnassus Investment holdings, which in his estimation, was no longer consistent to its Environmental, Social and Governance (ESG) principles.
The Fed's decision to lower interest rates is creating a favorable business and investment climate, since corporations have ready access to cash. Mehul predicts that this should have a positive impact on the Foundation's investments.
Next steps: Remain committed to alternate energy industries. It was agreed that alternative energy investments remain reliably profitable, since they have become firmly entrenched, are an inexpensive source of energy and will be needed to address predicted large increases in future energy demands, regardless of national energy policy shifts.
Renew our commitment to Community Development Bonds.
Given the possibility of market volatility resulting in a change in the presidential administration, Mehul agreed to meet with Anna and Rob quarterly rather than semiannually to keep a close watch on possible rapid changes in market trends. Accordingly, the next planned meeting with Mehul is scheduled for February 2025.

3. Co-Leadership (Mal)
a. Mal has decided to gradually relinquish many of her co-leadership responsibilities and has recommended that Anna be her successor as co-leader of the Foundation Team. By a unanimous agreement, the Foundation Team members assented and Anna accepted. Kathy and Mal will submit the change in leadership to the Family Council. Mal was lauded for her invaluable leadership and guidance since the inception of the May Foundation about 40 years ago. Mal will remain active in the Foundation, of course, but would like to step back. The transition will be gradual. Current leaders, Mal and Kathy will check with Anna to see how she wants to do the leadership transition.

4. <u>Additional </u>
Giving Percentage. There is a complex formula stipulated by law for charitable foundation giving. It rounds out to a minimum of about 5% of the total investment value. In his lifetime, it had always been Pop's wish for the value of the Foundation to exceed $1,000,000. Prior to that, it made sense to donate at the legal minimum to build the principal. Grandma Ellie urged the Foundation to donate above the lawful minimum, at a rate of about 6% of the principal. Fortunately, the Foundation has been able to maintain the value of its investments above the $1,000,000 threshold suggested by Pop. So, subject to periodic reviews, the members have agreed to align our annual contributions to Ellie's prefered threshold, above the minimum, closer to 6% of principal, honoring Grandma Ellie's giving philosophy, and consistent with our own beliefs.. Anticipation of more need in the future could alter this formula.

Check Writing and Distribution Party. Kathy agreed to send invitations to the family inviting them to the check writing and distribution party scheduled for Thursday, December 26th. Kathy also agreed to reserve the time and organize the check writing and distribution party at the long table at Cedar Beach on that date. It was agreed that an effort would be made to include more of the grandchildren and great-grandchildren of Pop and Ellie into the process.