

Corning Union High School District

Rodgers Oversight Committee Meeting

The Purpose of the Rodgers Oversight Committee is to oversee, coordinate, and report to the Board of Trustees on the activities and development at Rodgers Ranch and the financial activity of the Rodgers Endowment. While these meetings are not subject to the Brown Act, the CUHSD Board of Trustees values transparency and public input and will therefore hold the meetings in public and allow for public comment at the discretion of the Superintendent.

Date: August 25, 2020

Time: 5:00 pm

Location: CUHS Library

Agenda:

1. Call to Order - 5:03 pm

Members Present: Superintendent Jared Caylor, Associate Principal Jason Armstrong, Ranch Manager Tony Rosiles, Board President Bill Mache (filling in for Board Member Todd Henderson), and Board Clerk Jim Bingham.

2. Public Comment

There was no public comment.

3. Endowment & Loan Update - Eric Moxen

Mr. Moxen updated the group on the current status of the Rodgers Endowment. Current total value is \$3,990,221, with a par value of \$3,300,000. We've had four high interest rate securities called since February. As a result, we have approximately \$433,000 that needs to be reinvested. There are three main options to reinvest these funds: 1) money market accounts, 2) short term CD's, or 3) long term municipal bonds. We typically prefer long term bonds that have good rates, but rates are not good at all right now, so we have to decide whether to lock up our funds long term at lower interest rates. Mr. Moxen is advising that we move forward with investing the funds in the long term municipal bonds despite the low rates because it does not appear rates will improve any time soon. The interest we can earn during that time, even at low rates, is significant enough to justify the investment now, rather than leaving the funds in money market accounts or CD's.

Mr. Moxen also updated the group on other items. The projected new cash flow from the endowment over the next 12 months is \$147,590. This is the fund used to pay for scholarships and care of the Ranch. The checking account currently has \$23,695, and an additional \$30,200 will be deposited on 9/1. The balance of the loan against the Endowment is \$208,707 with a current interest

rate of 2.68%. The District continues to make monthly payments of \$5,000 on this loan (\$60,000 per year). At this rate, the loan will be paid off in approximately 3.75 years.

4. Pond Expansion and Orchard Drainage

The group discussed a plan to expand the pond storage of the pasture in fields A-5,6, 7. In addition to the pond expansion, the group discussed building a new dam/levee between the pasture and the new walnut orchard that would divert drainage southward down the west side of the orchard, then eastward along the south side of the orchard, and eventually into the wetland area. The group asked Ranch Manager Rosiles to get quotes on what the project would cost.

5. Enclose Livestock Barn - Quote \$7,600

The lowest quote to enclose the livestock barn to prevent future attacks on livestock is \$7,600. The group was comfortable moving forward with this project.

6. Orchard Ceremony Update

The ceremony has been postponed until 4/21. All guests have been notified. This date is subject to change depending on COVID-19 and other factors.

7. Teacher on Assignment Part Time - 2021-22

Superintendent Caylor presented an idea to have a teacher on special assignment next school year who would be responsible for various tasks related to the Ranch. Some of those duties would include: maintaining an activity calendar for all events, coordinating all transportation to the Ranch, doing community and elementary district outreach, and coordinating and planning classroom activities. This assignment would be 1-2 periods of the person's teaching schedule, and it would likely be a teacher from the Ag or Science Department. The group was generally agreeable to this idea, and it will be something that is discussed further in the future.

8. Update on Orchard Development

Ranch Manager Rosiles updated the group on the walnut orchard. It is possible that the trees will be ready to graft this year, but at this point we are not sure. Duarte Nursery staff will be out to look at the trees within the next month to see if they've grown enough for that to be possible. If not, we will do it next year, which will delay our first harvest. We also recently changed our PCA (fertilizer and chemical rep), which has resulted in the trees growing more quickly.

9. Other Topics - NONE

10. Next Meeting Date - November 4th, 5:00 pm in the Library

Corning Union High School District Endowment Trust August 25, 2020

Investment Account

Total Value - \$3,990,221

Par Value \$2,885,000 – Bonds and CDs

Target Par Value \$3,300,000

Called Securities

2/3/20 - \$75K – 6.62% Lodi Muni

5/1/20 - \$100K – 6.25% - Monrovia Muni

8/3/20 - \$200K – 6.08% Garden Grv Muni

9/1/20 - \$40K – 5.07% - Inglewood Pension

Proceeds to reinvest- \$433,000

\$40K – Next Week

\$208K – Money Market

\$185K – Vanguard MM

Cash Flow Projected- \$147,590

Target \$160,000

Money Market - \$238,633

\$30,200 moves to checking 9/1/20

Performance

2020 YTD – +7.74%

Checking Account

Total Value - \$23,695

\$30,200 will be added 9/1/20

Loan Account

\$208,707 Balance

2.68% - Current rate – Variable based on 30 Day LIBOR

Current Loan Payment Plan

\$5,000/mo (\$60,000/year)

Interest is currently \$4.92/mo

Principal is \$4,508/mo (\$54,096/year)

Aprox 3.75 years to pay off at current rate

Current Status of Investment Options

Money Market Rates

Vanguard Treasury MM - 0.084%

CD Rates

1 year – 0.15%

2 year – 0.25%

3 year – 0.30%

Muni Bonds

20-30 Year bonds AA rated

2.1-2.6%

Annual return on \$400K

0.08% - \$336

0.3% - \$1,200

1.0% - \$4,000

2.2% - \$8,800

Ideas

- Rates are going to be lower for longer
- Rates will eventually go back up
- As rates rise low return bonds will eventually mature at face value
- Buy \$430K of Munis yielding at least 2.2%
 - Increments of \$50-75K – 6-8 issues
 - GO / AA rated or better – Priced less than 110
 - Avoid Illinois

Rodgers Oversight Committee

Quarterly Meeting

August 25, 2020

5:00 pm

CUHS Library

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Public Comment

- *Although the Rodgers Oversight Committee meetings do not fall under Brown Act guidelines, CUHSD values public input and will hear public comment during these meetings on issues related to Rodgers Ranch or the Rodgers Endowment.*

Directions to Join:

Step 1: Dial 1 (262)
427-6220

Step 2: Enter Pin: 517 124
315#

Step 3: Pressing *6 to mute
or unmute your phone.

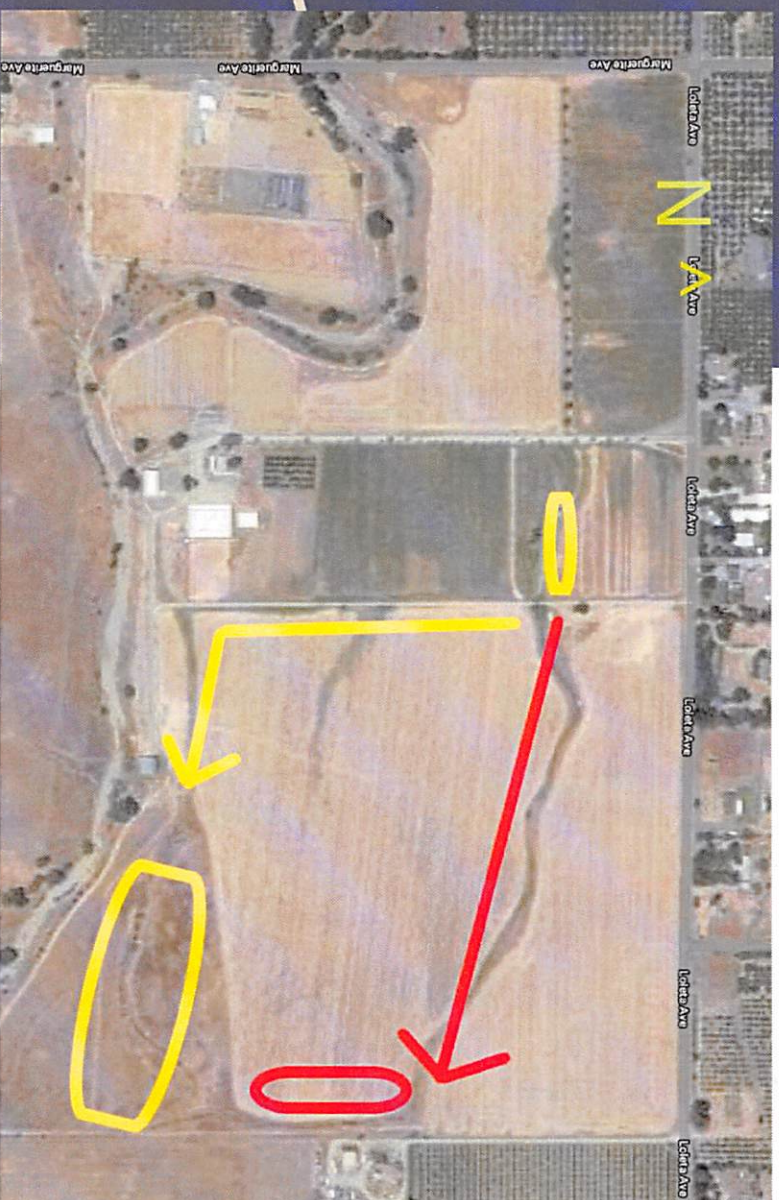
Endowment and Loan Update

Eric Moxen

Financial Advisor - Stifel



Pond Expansion & Orchard Drainage



Enclose Livestock Barn

FEZE Construction
4842 Houghton Ave.
Corning, CA 96021
(530) 321-2720

Estimate

Number	E143
Date	3/12/2020

Bill To
Corning High School
Farm Site
23341 Lobeta Ave.
Corning, CA, 96021

PO Number

Terms

Code	Description	Amount
	Galvanized (2x4)x5 sheet screen installed on existing gates (to prevent unwanted animals entry) and on existing fencing. There will be hinges on steel installed on gates to prevent bending/warping the wrong direction.	\$800.00
	10 panels (panels- \$1000) (Labor\$800)	\$1,800.00
	34x5 gate for front of barn (includes same galvanized screen & rollers) Also, concrete slab to run the rail for gate to slide along.	\$2,800.00
	Approx 69 ft x 2.5 ft galvanized screen with sq tubing horizontal support, along front of barn to finish sealing/closing off gap left.	\$1,500.00
	On side of the Barn, another 20 ft of screen to seal off and install 4 ft access man gate.	\$700.00

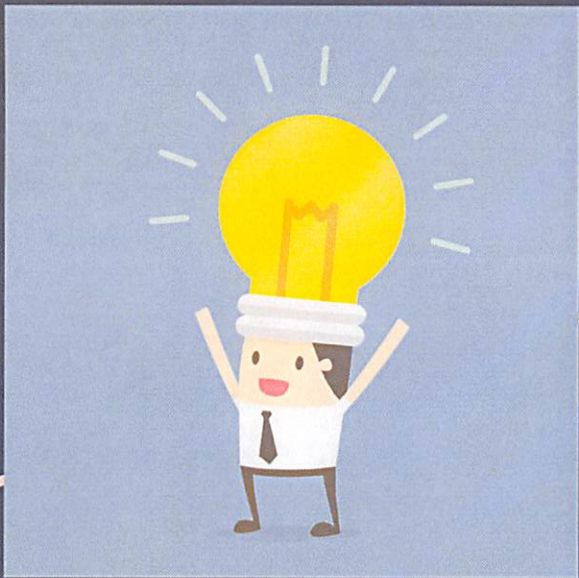
Amount Due

\$7,600.00

Orchard Ceremony Update

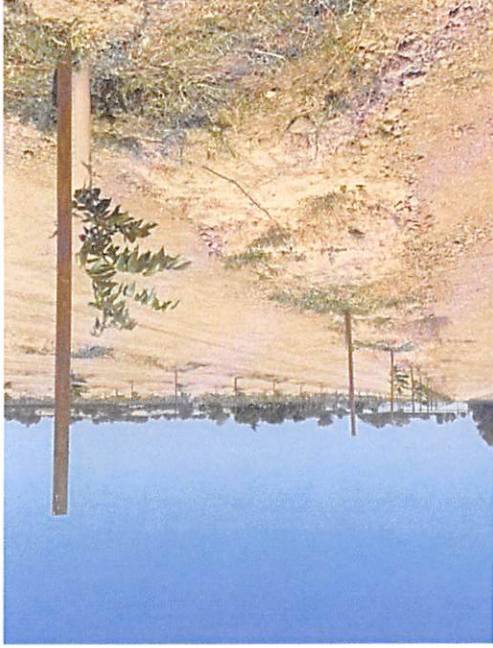
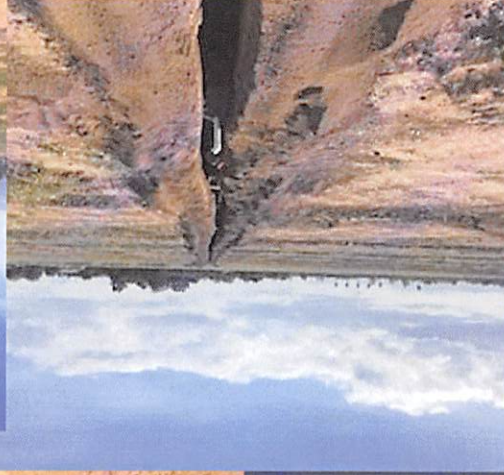
- Ceremony Scheduled for 9/9
- POSTPONED
- Goal to reschedule for Spring
 - Prospective Date 4/21
(Wednesday) 5:00 pm
- All guests have been notified

Teacher on Assignment – 2020–21



- 1-2 periods of teacher schedule
- Likely Ag or Science Department
- Duties to Include:
 - Activity Calendar for All Events
 - Transportation Coordination
 - Community & Elementary District Outreach
 - Help coordinate & plan classroom activities

Update on Orchard Ranch Manager, Tony Rosiles



Next Meeting Date

Wednesday,
November, 4th
5:00 pm - Library