

Members Present: Treasurer Dr. Yuksel Erpardo, Secretary Dr. Sue Carron, Executive Director Ms. Marcy Dwyer, Dr. Marvin Sonne. Guest: Mr. Brian Gorman- Investment Advisor

Meeting called to order by Treasurer Dr. Erpardo at 12:02 PM

Brian Gorman- Investment

Investment of Additional monies first. Comerica Bank: Marcy made a phone call about Money Market and CD. Money Market accounts are Not done for small business. Only personal accounts at Comerica.

Three important points for our monies: SAFETY, ACCESSIBILITY AND RETURN ON INVESTMENTS

Brian Gorman's Written Report and Verbal Report: Here is a summary of HIS recommendations. (as of November 2022/written)

As discussed, the DDDS Investment account is completely liquid and accessible. It is considered to have a risk rating of moderate and a risk score of 62 on a scale of 100. The underlining investments are comprised of EFT's and are diversified across many market asset classes. In an effort to provide the potential for a long term moderate growth, this portfolio tends to have a tilt towards value investments. We had done well until the last few months and as of 11-10-22 ahead 2.99% If look at January 2022-it average just over 6 %. Therefore, Expectations are that the account performs around 6%.

Break down: Equity: 71.06% Fixed Income: 27.14 % Cash or equivalents: 1.80 %

Total: 100%

ACTION ITEM: Question: Is this a Good Risk for DDDS, with the 70 vs 30 split, account was set up as 80 vs 20 split. We need to look at MDA and MDA Foundation Investment Policies and compare safety for monies.

Talked about adding \$100,000 to \$125,000 amount to investments and keeping \$50 K to \$55K in the checking account, at last finance meeting. In order to protect reserves for the future, his recommendation is to implement a Three Tier Reserves Strategy. The three tiers are as follows:

- 1) First Short Term Tier: DDDS Checking Account. This account should be funded with an amount adequate for current and ongoing expenses, as it would be replenished with receivables from dues, CE, etc. Discussed with our CPA- \$50K to \$55K, for the amount in checking.

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- 2) Second Intermediate Term Tier: Establish a secondary yield bearing deposit account, such as a money market account for “emergencies”. He would not suggest CD’s for this tier because you would not be able to access a CD until it matures, without penalty. Defeats purpose of having an emergency CD account. Marcy asked Comerica Bank, our bank, if they would do a Money Market account for DDDS. The yield is extremely low, and Comerica only does money market accounts for personal accounts, NOT business. Marcy has looked on- line at other institutions for money markets. This not an option with COMERICA. We may have to change Banks for better options at Tier 2., better business deal for DDDS.

- 3) Third Long Term Tier: The DDDS Investment Brokerage account that He manages. This is a reserve that is intended for future unforeseen expenses. It has a moderate risk tolerance with an objective to outpace inflation over a longer term, It is completely liquid and accessible, however it is not intended to be used like a savings account because of its longer term time horizon. We were out pacing inflation until third quarter this year 2022. Discussed adding \$100,000 to \$125,000 to investments.

He recommended that any monies added to the investment account, as a savings account, use dollar cost averaging strategy, in order, to slowly invest the additional money over a period of several months to a year; Due to the recent volatility we have seen in the stock and bond markets. The money placed in cash in the investment account would not have a service fee charged, until it is invested. He believes that the recent downturn in the markets has provided a strong opportunity to begin dollar cost averaging into this market in order to take advantage of lower market valuations at this time.

ACTION ITEM: NEW BANK to MEET OUR NEEDS. Research more different kinds of accounts and expand to looking at other banks that work with non- profit business accounts. Dr. Erpardo said we need to look at safest investments, we need to study more. Dr. Sonne looked at ACH with checking account, privileged for a Money Market accounts, better than savings account, guaranteed by government. Reasonable service charge for management.

His suggestion is to eliminate the second Tier and holding the savings on the side of the investment account. Cannot ignored watching the accounts. Risk vs returns are very important to Brian. He wants to speak to Dr. Lasser, because account has ETF’s and Mutual Fund. Brokerage account should make up what interest you are not making on the checking account/ money market. Brake down: what we are comfortable with for balance. Short term means 1 to 3 years., to Brian. We are at 70% secure equity for

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value because we knew Interest rates would rise. Adding in all our cash- we are closer to the 57% exposed to equity market. Need to see how to work with 2023;-risk should go down. Brian is watching for us. The original 80 vs 20 can be change. Discussion with our members important. Range of Low to High Ranges. Must look at Annually.

Brian M. Gorman, Financial Advisor, Gorman Financial Management, LLC , 580 S. Main St. , Plymouth, MI 48170 248-459-8370 bgorman@ gormanfinancial.com

Investment Policy 2016- need to read. ACTION ITEM

Written Under Dr. Diane Hines, Presidency, and written by Treasurer Dr. Sam Blanchard. Current Investment Policy 2016. As of now, Brian watches our accounts and he watches if we need to rebalance.

The policy split is a 80 vs 20 We do not have long term liabilities. (just RENT, salary)

Reserves ,we have two year operating reserve. Which is healthy.

Equities/Stocks-higher exposure

General operating Fund: checking account 40K to 50K in account

Restricted Reserved Funds: 20% of portfolio cash and 80% equity/stocks the fund shall consist of no less than 70% of the annual operating budget. (we have two year reserve now).

Target Expected returns and Risk Tolerance: The DDDS funds shall be invested provided adequate liquidity requirements at acceptable risk levels. The performance of the Restricted Reserve Fund should be evaluated annually. "0" means no risk, "100" risk- means most risk. Bonds and shorter terms investments have less risk "Not always black and white in investment risks." AS Interest rates rise, then bonds are not as good.

ACTIVE MANAGEMENT INVESTMENT is a IMPORTANT factor.

Policy does not talk about inflation. Need to improve communication to the Board.

Current Ranges 60 vs 40 to 80vs 20 , old policies were commission based. Now if account does well then the management person does better. Moving target. Industry has changed. Professional on same side as the investors.

*****Dr Allan Lasser comments: Marcy reached out to Dr. Lasser, past president and past Treasurer of DDDS. We can call him at any time. 248-417-4881

RESERVES: looking at having two years of operating budget. Is Good.

INVESTING THE MEMBERS MONEY: Remember it is the organization's money. The board's job is to keep it safe, manage it, and NOT loose it. In terms of investments 80% for mutual funds never keep up with the market, the funds must be in a secure venue (

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we should get out of the Ford Investment Account, since it is not secure!), stay away from EFTs (Exchange Traded Funds). Dr Lasser said funds for reserves should be in a bank operated Money Market account. He would not recommend an investment account for the DDDS because the manager of those accounts charge fees. Their job is to make money for your investment account, but they are charging fees and doesit make that much more on return?? Dr. Lasser feels quite strongly on this and he said you are welcome to call him.

IF we are saving Money on RENT: then spend more on increasing the VALUE to the members. Make sure to build into any new program or idea a SUNSET DATE that a review is done of the new idea and it is re-evaluated, not just continuing to spend money.

DO NOT Need fancy OFFICE SPACE. Do not need office for prestige. We do have to make sure committees and boards can meet/somewhere secured. Look at all factors: "Climate Control" Storage space required, insurance, utilities needed, security, upkeep. Dr. Lasser reviewed our current lease with Marcy. She understands how to look at a lease. If we leave early on current lease, there will be a penalty.

Meeting Adjourned at 1:20 PM

Respectfully submitted, Sue Carron, DDS

Note: We want to stay with Brian Gorman for Investment Advisor.

Need to review investment policy Change Split of Risk.

Explore Money Market/ Savings Accounts with other Banks.

Lease Discussion: List of Executive Suites from Kevin. Marcy is talking to other component executives to find out true cost of remote location. PO Box in Detroit. Marcy is researching P.O. Box companies, (Pricing and locations) Have Office in a safer neighborhood, with desired requirements needed. Marcy will email Kevin Pruitt about expanding real estate targets.

Next Meeting in January 2023- evening Meeting: Monday January 23, 2023 at 7:30 PM