

MINUTES – Mutual 56
December 21, 2022
Special Minutes

President Robert Ward convened a Special Meeting of the Board of Directors of WALNUT CREEK MUTUAL NO. FIFTY-SIX at 11:04 am on Wednesday, Dec 21, 2022.

ROLL CALL PRESENT: Robert Ward, President
Karen Tarkoff, Vice President
Nancy McClellan, Secretary/Treasurer

NEW BUSINESS

After much discussion the following motion was made by Nancy McClellan. The motion was seconded by Robert Ward. The motion carried.

I move that Mutual 56 directs Mutual Operations Accounting Staff to contact Mechanics Bank and have them invest \$150,000 of Mutual 56 Reserve Funds in US Treasury Bills. The initial purchase of US Treasury Bills to be in the following denominations:

3-month T-Bill for \$50,000 with automatic reinvestments scheduled

4-month T-Bill for \$50,000 with automatic reinvestments scheduled

6-month T-Bill for \$50,000 with automatic reinvestments scheduled

Mutual 56 Treasurer to review all positions monthly, invest additional funds available and extend or cancel reinvestments as needed.

Discussion prior to voting on the above motion:

- The current balance in the combined checking and savings accounts is greater than the FDIC Insurance limit of \$250,000.
- US Treasury Bills are currently paying between 4% and 5%. They are virtually risk free and compare favorably to other investments.
- Mechanics Bank will set up a brokerage account for Mutual 56. They will charge an annual fee for the account of \$40 and a fee of \$1 per \$1000 of investment or \$50 each time an amount of \$50,000 is invested or reinvested. These fees seemed reasonable.
- Per Joel Lesser, CFO, Golden Rain Foundation - Mutual 56 already files tax form 1120-H annually and there should be no tax on the income derived from this investment. Since the accountants already file form 1120-H there should be no additional cost from the accountants related to filing our taxes.
- The Mutual 56 Reserve cash balance will be approximately \$60,000 after investing in T-Bills. This amount seems sufficient to cover any immediate cash needs.

ADJOURNMENT

Having no further business, the meeting was adjourned at 11:45 am.

Submitted by: Nancy McClellan



Anne Paone, Assistant Secretary
Walnut Creek Mutual Fifty-Six