1. CALL TO ORDER, WELCOME & REVIEW OF THE ANTITRUST STATEMENT

Mr. Chandler called the meeting to order. Mrs. LeFevre took a roll call of the participants and asked each to review their entry on the provided roster and to let her know of any contact information changes. Mr. Chandler said that the meeting would be conducted following the Foundation’s Antitrust statement and all US antitrust laws.

2. APPROVAL OF THE MINUTES

Mr. Chandler asked if there were any additions or changes to the minutes from the Fall Board of Trustees meeting on October 6, 2019, and there were none.

MOTION: The RMC Research & Education Foundation Board of Trustees hereby approves the minutes of the meeting on October 6, 2019.

3. ADMINISTRATION COMMITTEE

A. Nomination for Unexpired Term to the Board of Trustees – Mr. Chandler noted that there were two items of business from the Administration Committee. He reported that with John Holliday’s election to the National Ready Mixed Concrete Association’s (NRMCA) officer corps, thereby making him an ex officio member of the Foundation’s board, that he has resigned his elected seat. With Bill Sandbrook’s retirement from U.S. Concrete, it is the recommendation of the Administration Committee that Chris Schenone be elected to fill the unexpired term ending in 2020 to maintain U.S. Concrete’s representation on the Board.
**MOTION:** The RMC Research & Education Foundation Board of Trustees hereby elects Christopher Schenone to fill a Board term expiring at the end of 2020.

Mr. Schenone noted he looks forward to serving and Mrs. Garbini reminded him that he may participate fully in the meeting, including voting, now that he has been elected.

B. Nomination to Serve as 2020 Secretary/Treasurer – Mr. Chandler reported that with John Holliday’s election as Treasurer for NRMCA, Mr. Holliday had resigned his position as Secretary/Treasurer for the Foundation. He reported that the Administration Committee recommends electing Rodney Grogan with MMC Materials as his replacement. Mr. Chandler remarked that Mr. Grogan is a long-time Trustee and has recently served in NRMCA’s leadership and so would be an excellent choice to step into this role.

**MOTION:** The RMC Research & Education Foundation Board of Trustees hereby elects Rodney Grogan with MMC Materials to serve as Secretary/Treasurer for the remainder of the 2020 term.

4. **FINANCIAL MANAGEMENT REPORTS**

A. Review and Approval of the 2019 Audit – Mr. Chandler asked Mrs. Garbini to review the main points relating to the Foundation’s 2019 Financial Audit. Mrs. Garbini reported that the Foundation again received a clean, unqualified opinion. She directed the participants to several notes throughout. In particular, Mrs. Garbini noted that the Foundation’s pledge redemption record is exceptional, that the assets noted as restricted are only noted as such because they are in the form of pledges that are on the books but not yet received as most pledges are paid over a period of time. She also pointed out that the Foundation’s programs vs. G&A is 88% to 22%, which is much better than most charitable organizations. Mrs. Garbini said that most of the notes included were self-explanatory. With respect to Note 8 about concentration of credit risk, she reminded the group that the Foundation chose to take on the risk as it made more sense to keep all of the Foundation’s assets in one place and that the risk was low given the additional third party insurance carried by Charles Schwab. Additionally, Mrs. Garbini reported that Note 11 regarded the newly signed agreement with MIT, and that Note 14 outlines NRMCA’s renewed in-kind pledge to the Foundation, which includes office space, professional services and equipment usage. Finally, the end of Note 14 does not yet include some language related to the market decline that will be added by the auditor consistent with AICPA guidance.

Mr. Parson asked about whether cash could be spread around to various investments to reduce risk. Mr. Thatcher responded that they were already doing this through the purchase of T-bills and other cash management tools including short-term CDs at several different banks. Mr. Thatcher also noted that the note in the audit related to concentration of assets could be solved by moving money to other platforms like Fidelity. He noted that they could facilitate it through Cypress Wealth Services. They downside would be that there would need to be separate logins to see and manage these accounts but that all assets would be aggregated for their purposes in reporting to the Board. The Board agreed that the Finance Committee could evaluate this potential on a future call.

Mr. Chandler asked if there were any additional questions related to the draft 2019 Audit and there were none.

**MOTION:** The RMC Research & Education Foundation Board of Trustees hereby approves the 2019 Audit report as presented.

B. Review and Approval of Budget v. Actual March 31, 2020 Financial Report – Mrs. Garbini reported that the Finance Committee had reviewed data as of February 29, 2020, but that more recent data, from March 31, 2020, was available for this meeting. Mrs. Garbini said that the budget is in better shape than
perhaps had been expected. She reported that $284,000 had come in so far this year and that many pledges are billed in the second half of the year. She also reported that there were a few donors who requested that their pledge payments be delayed until later in the year due to the pandemic and its impact on their businesses. Mrs. Garbini noted that the investment earnings through the end of 2019 had been stellar but of course that changed when the market plunged. She reported that we are tracking low on program payments, though a payment was recently made to MIT. She also noted that other expenses will be lower given the current situation, such as lower meeting and travel expenses as well as decreased office supply needs.

Mr. Chandler asked if there were any questions about the budget versus actual March 31, 2020, report and there were none.

**MOTION:** The RMC Research & Education Foundation Board of Trustees hereby approves the Budget v. Actual March 31, 2020, financial report as presented.

C. Review of Charles Schwab Investments – Mr. Thatcher of Cypress Wealth Services gave a report of the status of the Foundation’s portfolio and overall market conditions. His report is included as Appendix A.

Mr. Thatcher remarked that, historically, we are in unchartered territory and while the volatility has resulted in losses to the Foundation’s assets so far, the damage is not as bad as the overall market. He said they will continue to monitor inflation/deflation as well as what the Federal Reserve will do. Both Mr. Thatcher and Mr. Lamm noted that bear markets, which we are currently in, generally last approximately 1.3 years but, given the extraordinary circumstances, it is difficult to know if this will follow past bear markets. Mr. Thatcher said they will continue to monitor the situation, globally, and will adjust investments as need be.

Mrs. Garbini pointed out in the summary slide that, since we started working with Mrs. Thatcher and Lamm, the Foundation’s historical rate of return has averaged 7.31% including the most recent declines.

D. Long-Term Financial and Crisis Planning – Mrs. Garbini drew the participants’ attention to the long-term financial spreadsheet that she maintains. She detailed the inputs and assumptions that were displayed. She noted that in the short term, fundraising potential is limited due to the pandemic. This includes two equipment auctions that were previously lined up to occur in 2020. There is also a question of whether pledges will be paid in a timely fashion, although in our past recession experience pledges were eventually paid even if on a delayed schedule. However, for now pledge redemption and fundraising income for 2020, and potentially 2021, are in question. Investments are currently in negative territory, but we have sufficient diversity to pay bills and ride out the bear market for several years without cashing in losses. Mrs. Garbini then provided a snapshot of various actions that can be taken to mitigate the negative income budgetary impact. She and the officers laid out several options and made recommendations.

- Halt new program spending: Mrs. Garbini noted that $1.4 million is budgeted for program spending in 2020. There is currently $117,000 in new program funding that has not yet been allocated. She further noted that there are two projects approved last year that are not yet under contract and therefore no funding obligation yet exists totaling approximately $47,000. She and the officers recommend halting those two projects and all new program spending until the economic outlook becomes clearer. She also noted that we could halt funding of current projects but that such a drastic measure was not recommended at this time as we want to receive the final deliverables from those projects.
- Mrs. Garbini noted that she was in discussions with MIT CSHub and PCA about potential options to defer payments or adjust the annual commitment for 2021 to help reduce spending, while still
maintaining our partnership and core agenda with the MIT CSHub. She will inform the board as those discussions move ahead.

- Mrs. Garbini reviewed other variable and fixed expenses in the budget. She said that certain budget line items, such as travel, meeting expenses and office supplies, will already be reduced due to the quarantine. There will be an automatic reduction in staff compensation if pledge redemption and fundraising income goals are not met, as incentive compensation for the two staff members is directly tied to those measures. Other fixed expense items like insurance and the audit are unfortunately not flexible.

Mr. Chandler remarked that he, Mrs. Garbini and the other officers wanted to demonstrate that they were focused on this economic situation and to lay out all of the various financial options available to the Board for managing the Foundation’s finances. Mr. Chandler recommended that approval of new program funding be put off for the time being and reconsidered later in the year once we are able to see what happens with the economy.

Mr. Chandler was questioned over whether a motion for putting program funding on hold was necessary to which he replied he felt that as long as there was consensus among the group, that they could just make the decision procedurally and through the upcoming discussion on project proposals. He suggested that another Board of Trustees conference call be scheduled for August to reconvene the discussion of the Foundation’s finances at that time. Several Trustees noted that they agreed with the plan.

5. PROGRAMS & TECHNOLOGY TRANSFER

A. Highlights on Other Recent Program Progress and Releases and the MIT Concrete Sustainability Hub – Mrs. Garbini reported that there is good news in that several project releases are still scheduled for this year. She noted that the Plant Safety video was recently released and is being offered free of charge. She said that the pavementdesigner.org site has had activity from all 50 states. Mrs. Garbini reported that some drawings have been updated to the Guide to Concrete Overlays of Asphalt Parking Lots and that the Guide to Concrete Trails has been very well-received. She also noted that Build With Strength and Pave Ahead webinars have been very well attended and that the Foundation’s driver recruitment and onboarding resources remain a popular item on our YouTube page. Those items releasing soon include: the Impact of Extended Mixing Time, Thermal Performance of ICF v. wood/steel, Improving Specifications to Resist Frost Damage, the Resistivity/Conductivity report and Phase I of the Concrete Strength Model.

Mrs. Garbini reported that there is a tremendous amount of work taking place at the MIT CSHub. She reminded the group that they signed the agreement for the next five-year phase last fall. Along with continuing work on buildings and pavements, which have contributed significantly to NRMCA’s Build With Strength and Pave Ahead initiatives, work will also include individual elements of concrete and cement including productivity, economic elements, and environmental issues including embodied carbon and environmental benefits to using concrete. Mrs. Garbini noted the increase in quality communications from the CSHub in recent years, reaching mainstream media and providing easy ways for supporters to also engage through social media. She also reported on the increase of presentations and testimony being made to congressional committees and other important stakeholders.

Mr. Batten, as chairman of the IAC, noted that, when the CSHub was established, we were in similar economic straights as we are today. He said we hunkered down and moved markets then and we can continue to do so today. He particularly noted the opportunities to participate and specifically urges state associations to be involved to help get the resources out, such as the Carbin app, given how the data could help states to increase transportation funding.
Mr. Ingrassano offered that when misinformation was related to a NY Port Authority project, the CSHub responded immediately in a credible, well-thought-out fashion and that he has appreciated their willingness to respond to a variety of issues in an ad hoc way. Mrs. Garbini agreed, saying it was extraordinarily valuable to have them be willing to respond to issues right away, adding that when the investment was first made in 2009, everyone knew it would take awhile to get a return and that the return has been very valuable.

Mr. Chandler pointed to the incredible strides made by the Build With Strength and Pave Ahead initiatives that were only made possible by the CSHub research and that both are truly moving the needle.

Mr. Chandler asked if there were any questions related to current projects and there were none.

B. Approval or Rejection of Project Proposals – Mr. Chandler directed the group to the summary of proposals for consideration. Given the previous discussion regarding new program funding, the group chose to vote on those projects that were recommended for rejection by both the Advisory Council and Program Committee as a slate.

**MOTION:** The RMC Research & Education Foundation Board of Trustees hereby rejects for funding Projects 20-01, 20-02, 20-03, 20-04, 20-05, and 20-07.

Mr. Chandler reiterated that consideration of the other projects will be put on hold until the summer Board of Trustees conference call discussed earlier. This includes one proposal that is recommended by the Advisory Council and Program Committee (Project 20-08), and two projects that were identified as having merit but were pending more information (Projects 20-06 and 20-09).

6. FUTURE MEETINGS

Mr. Chandler recommended that the group plan to meet via conference call in August. The group chose to meet on Tuesday, August 25, 2020, at 11:00 a.m. Mrs. Garbini said she would send out a meeting notice and that an update on Foundation financials will be included at that time. The group decided to wait until the August online meeting to discuss fall meeting dates and locations.

7. OTHER BUSINESS

Mrs. Garbini asked that any Trustee who came on after the roll call to please let her know that they joined the call so we can accurately reflect participation.

Mr. Chandler thanked everyone for their participation, noted he hoped all will stay well and that he looked forward to talking with them again later this summer.

8. ADJOURNMENT

Having no further business, the meeting adjourned.

Minutes respectfully submitted:

Jennifer LeFevre
Recorder