

EL CAMINO REAL ALLIANCE

EXECUTIVE DIRECTOR RECOMMENDATION

BOARD MEETING DATE: April 22, 2021

AGENDA ITEM:

IV.B. Corporate Trustee

BRIEF SUMMARY OF THE ISSUE:

Staff recommends approval of US Bank as the corporate trustee for the Lifetime Healthcare Benefits Trust. The corporate trustee is required under the terms of the Trust agreement, and our investment advisor, Beacon Pointe, highly recommends US Bank for corporate trustee. US Bank would serve in a dual capacity: as corporate trustee, US Bank would (in conjunction with the investment advisor Beacon Pointe) help oversee the assets, and act in a fiduciary manner to ensure that the trust assets are accounted for and safeguarded; as custodian, US Bank would hold the assets of the Trust.

PERSONNEL INVOLVED:

ED David Hussey; CBO Greg Wood.

FISCAL IMPLICATIONS (IF ANY):

US Bank has a sliding scale for the cost of being corporate trustee, based on the total value of the assets in the Trust account. US Bank charges 3 basis points to serve as trustee, and 2 basis points to act as custodian, for a total of 5 basis points. Based on estimated current Trust assets of \$20M, this would equal approximately \$10,000 a year in fees.

IMPACT ON SCHOOL MISSION, VISION OR GOALS (IF ANY):

US Bank would help safeguard the Trust, which provides security and stability to the school's employees.

OPTIONS OR SOLUTIONS:

Staff obtained a quote from City National Bank, which came in at approximately \$24,000 for comparable services.

EXECUTIVE DIRECTOR'S RECOMMENDATION:

Approve retaining US Bank as corporate trustee for the Trust account. Based on our discussions with Beacon Pointe, US Bank would be very capable of providing the services

needed to properly and responsibly manage the Trust. Beacon Pointe has worked closely with US Bank on other investment accounts, and highly recommends their services.

PROPOSED MOTION:

Motion to approve US Bank as the corporate Trustee for the Lifetime Healthcare Benefits Trust.