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District 27



1. CALL TO ORDER D/27 ELECTRONIC BRIDGE MEETING

District Commander Gene Alligood called a special electronic meeting of the District 27 Bridge and directed the Secretary to send an email notice of meeting. The email was sent: Friday, May 20, 2016 10:00:24 AM with the subject: Electronic Bridge Meeting to Approve CD Investment "This Notice of Meeting is called at the request of Treasurer David McMahon for approval to use Vanguard Investment. Please vote quickly For or Against."

2. BACKGROUND

USPS District 27 currently holds for investment funds \$65,924.23 in a BB&T Certificate of Deposit with an interest rate of 2.39% maturing 10 May 2016. Interest rates have continued to decline over the five year period we have held this investment and would be impossible to replace the yield by reinvesting the maturing CD with a similar investment. Under D27 Bylaws, Article 3.2.10 "For investment funds, the district may seek out higher yield investments which have been recommended by a qualified professional." As a former Executive Vice President and Chief Investment Officer of BB&T Corporation I consider myself to be a "qualified professional" and therefore to replace the current income I recommend the purchase of Vanguard Short-Term Investment-Grade Mutual Fund Admiral Shares (VFSUX). A Vanguard snapshot report of this fund is attached.

Incepted in October 1982, this fund is managed by Vanguard Group. The objective of this fund is to seek income while maintaining a high degree of stability of principal. The fund invests in high and medium quality, investment-grade bonds with short-term maturities. The fund declares dividends daily and distributes monthly. The expense ratio is 0.10% which is much lower than funds with similar holdings. The fund is highly rated by Morningstar and Lipper.

3. ELECTRONIC BRIDGE MEETINGS

D27 By-Laws Section 5.6.2 Meetings . . . may, when necessary, be conducted by electronic means, as defined by the currently available technology, provided that all other applicable sections of Article 5 are adhered to. Such meetings shall be announced to all involved members well in advance of the published start date and planned end date. Provision shall be provided for any member who wishes to monitor the proceedings, and comment to the meeting any questions or concerns as if they were meeting in person.

4. RECESS THE D/27 BRIDGE MEETING

“This D27 Bridge Meeting will be in recess while the ballots are cast.”

5. BALLOTS RECEIVED

The Secretary notified the Bridge on 23 May 2016 at 8:04 AM “As of the date/time of this email, a majority vote has been reached which approves the use of Vanguard Investment.

“District Commander -

I recommend closing the balloting and adjourning the Electronic Bridge Meeting to Approve CD Investment.”

6. ADJOURN THE ELECTRONIC BRIDGE MEETING.

By his email dated 23 May 2016 at 9:15 AM, the District Commander adjourned the meeting. “The Electronic Bridge Meeting ref. the Vanguard Investment is closed and the recommendation is approved.

Gene Alligood
Commander, D/27”