



BATTERIES

Jack Davidson



The Prius and the Trust Company of Vermont arrived in the same year. Based on my perspective, we have much in common.

The Prius has become synonymous with the term “hybrid”. In 2021, it is the most popular HEV (“Hybrid Electric Vehicle”) ever produced. Shortly after its arrival in 2000, it was my understanding that my wife wanted a Prius. It was not my idea, or so I think. Her view was that it was a collaborative process, much like the 8 founders of the Trust Company of Vermont.



When we purchased the car, we made assumptions. The life expectancy of the typical car was relatively short and batteries would

only last 3 years. What we did not realize is that we had two life expectancies. The battery that would run the gasoline part of the car would last three years, but no one seemed to know the life expectancy of the batteries that would run the electric component (the “hybrid batteries”).

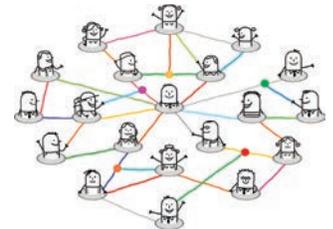
We purchased our vehicle in Keene, New Hampshire. After three years, the car stopped working. We had the Prius towed many miles to Keene, unaware that it would have been a simple replacement made at home by swapping the “gasoline battery”. In hindsight, we owned the Prius for more than 10 years and the hybrid batteries never needed to be replaced. The hybrid batteries also saved our car.

My wife drove many miles to Keene, New Hampshire for our regular service, which included an oil change. After some time in the waiting room, she was informed that she could drive the refreshed Prius home. When she encountered a roundabout about four miles



away, the oil light came on. She was towed back to the dealership and was informed that they forgot to replace the oil.

As I look back at the Trust Company of Vermont, I don’t see gasoline batteries. I see hybrid batteries based on the ages and time working at the Trust Company. Our hybrid is 22 years out. Should we replace some of the batteries? I leave that up to the “hybrid batteries”. Fortunately, we have added new “hybrid batteries” (our expanded staff) to stay up-to-date with the growth of the company.



As I reflect on my career choices, I chose trust administration and not investment management. Trust administrators focus on the past, such as existing trust and tax laws. Investment managers tend to focus on the future. I may have recently strayed from administration to investment management.

I personally added to my investment portfolio. I bought an electric vehicle. I still need two cars.



So my “hybrid” is two cars: a gasoline car and an electric car. Perhaps in three years, I might only need an electric car if I retire and my wife and I effectively collaborate the when and where of who needs the car. It is also my hope that an inexpensive electric car will go a thousand miles on one charge (my current one is 258 miles) and convince my wife that the large screen, which she does not like, is the way of the future...and not a distraction once I train her to use the screen when I drive the car.

I have spent many months studying the issue. I have watched many videos. Consumer Reports promotes the three-year lease option. I often listen to Consumer Reports, so I chose the lease to allow me to buy the car now and have three more years to study this issue.

Government rebates may, or may not, be available. This is very complicated, much like the proposed changes in the tax laws which have estate planners scrambling to finish a tax saving plan this year. Manufacturers that sell too many electric cars may deprive the buyer of a very attractive rebate.

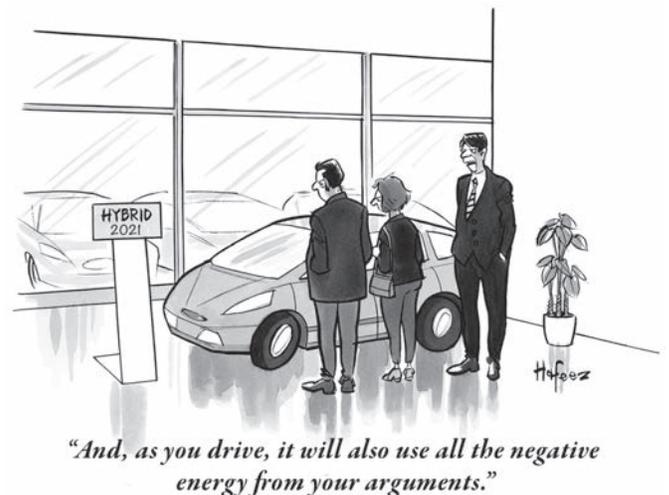
Luck and happenstance may be a factor. I had Green Mountain Power install a level 2 charger. I chose a

location in the back of my garage. Shortly after the electrician finished the project, I went to my iPad to check the news. It felt like I was hit by a bolt of lightning. General Motors had just announced that they were halting production of the Chevy Bolt EV after a number of battery fires. Fortunately the charging cable was long enough to allow me to charge my car outside of my garage. Now my only problem, once I installed the required wi-fi extender, is whether I understood the instruction manual, clearly written for those who possess a “hybrid battery” brain. Hopefully my “battery” was up to the task.



Buying an electric car is complicated. Managing portfolios mindful of global warming and transitioning from fossil fuels may be far more challenging for our investment managers and our estate planners, both now, and in the future.

“If GM had kept up with technology like the computer industry has, we would all be driving \$25 cars that got 1,000 MPG” - Bill Gates



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