



Trust Company of Vermont Special Update

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A New Act for Jack

Jack Davidson, founder and President of TCV, recently shared his decision to step down from his President & CEO role to focus on estate planning. At the request of the Governance Committee of the Board of Directors, he was interviewed about his decision by one of his many long-time colleagues, TCV's Auditor, Ellen Lowery.

Ellen: So, you're not going anywhere, are you?

Jack: No. I do not want to retire. I just want to shift my focus from areas where it is no longer needed to areas where problem solving is both fun and sometimes rewarding.

Ellen: What is your role at TCV going to be now?

Jack: I will focus on the complexities of trust administration and estate planning.

Ellen: Why is now the time for the change?

Jack: Well, there is short story and there is a long story. Although I struggle with too many long stories, a medium story will appear in our regular January newsletter. My short response to your question is simple. My wife wants me to spend more time hiking, biking, kayaking and cross-country skiing, and our Executive Committee is essentially running the company now. So, my wife wants me to pay more attention to the *Spousal Exercise Program*, which she started in 1988 when we biked in France, followed by hiking or biking in Tibet, Norway, the Alps, Italy, Sicily, Thailand and this past year, Costa Rica.

But I think our readers should understand who we are and have been for many years, so, to you, Ellen, when did we first meet? As a young trust officer at the Vermont National Bank, I reluctantly aided and abetted the closure of Windham College in 1978 as a trustee for the US Government. At the time, you were a student, but I don't recall meeting you then.

Ellen: (laughs) Actually, I graduated in 1976, so I think we missed each other in those days. I met you at the old Vermont National Bank in 1982, where we both worked. But let's get back to you. It's hard to believe TCV is in its 22nd year. What was the primary thing you wanted to accomplish when you founded the company?

Jack: To maintain the way we wanted to take care of our clients and our employees, to stay in Vermont, and to control our corporate destiny.

Ellen: We're employee-owned, and you remain a major shareholder. How does being employee-owned impact the day-to-day here?

Jack: We have been an employee-owned company for

over twenty years, but the eight founders, all previously employed at the Vermont National Bank's Trust Department, have worked together, much like you have, for many more years. Our titles did not matter. We all felt that we were the owners then and now. It allows us to maintain the way we do business, so we can take good care of our clients and our employees.

Ellen: So, let's talk about management transition in the company. What's the process? Are you announcing a new President?

Jack: Day-to-day management has been handled for some years now by our Executive Committee, a representative group of various functional areas in the company. We also have a Board of Directors comprised of 6 active employees, 1 retired founder and 4 outside, independent directors. The independents form our Governance Committee, and they are overseeing the CEO transition process, which is well underway. We will have an announcement by the end of January.

Ellen: Will it be from inside the company?

Jack: I expect so. Our Governance Committee will consider all options of course, but our culture and employee-owned status play a big factor in how we are managed and in our success.

Ellen: What stands out as your biggest accomplishment in your years with TCV?

Jack: Keeping good staff on board until they want to retire or slow down.

Ellen: We do have an exceptionally experienced staff with very low turnover. We calculated a total of 1068 years of experience and an average of 30 years. What explains that?

Jack: I helped set up a management system that encouraged autonomy, training and collaboration. I encouraged staff to continue to work part-time, past the usual retirement age, believing that their wisdom and expertise would benefit all. I also supported working at home. Fortunately for me, my home is about 500 yards away from my office and full retirement will hopefully be many years away, and not dependent on when and how I walk.

Ellen: How about the biggest challenge?

Christmas party gifts! Fortunately, our way of managing money has taken care of us and our clients for over 20 years. Stock market returns naturally ebb and flow each year, but Christmas gifts, on the other hand, are subject to periodic judgmental questions regarding my selections.

Ellen: Ah, yes, the year of the electronic Furbies.



Jack: Move on, Ellen.

Ellen: We've never really used the term "wealth management". Why is that?

Jack: I didn't want to, and no one objected. Our goal is to have a positive bottom line, but we should have enough room to take on clients who are our neighbors, and focus on what we like to do.

Ellen: In closing, what's the most interesting thing you've learned about estate planning over the past 50 years?

Jack: The stories! Legalese and tax saving clauses may be the focus, but the impact of the plan when a client passes, teaches much.

Ellen: Thanks, Jack.