

**MINUTES OF THE  
LA JOLLA GOLDEN TRIANGLE ROTARY CLUB FOUNDATION  
ANNUAL BOARD OF DIRECTORS MEETING ON  
December 15, 2021  
4:00 PM  
12625 High Bluff Drive, Suite 108  
San Diego, CA**

**BOARD MEMBERS**

<b>PRESENT:</b>	Steve Brown	President
	Alex Monroe	Vice-President
	Luke Ervin	Treasurer
	Eric O. Freeberg	Secretary
	Sharon Council	Director
	Tony Grillo	Director
	Sara Miceli	Director
	Erik Mjoen	Director

**VISITORS:** Nancy Gatschet  
Jacquie Reilly

Meeting was called to order by Eric at 4:03 PM

Please note that all references to exhibits herein refer to the exhibits attached to the Agenda or attached hereto. Our Club Foundation is sometimes referred to as the “Club Foundation”, the “Foundation” or the “LJGTRCF.” The Rotary International Foundation is sometimes referred to as “TRF” or the “Rotary Foundation”. The term “Club” refers to our Rotary Club.

1. M/S/C to ratify the Board’s prior approval of (i) Minutes of 2020 Annual Board Meeting on October 21, 2020—**Exhibit 1a**, (ii) Minutes of 2021 Annual Meeting of Members on May 7, 2021 to reelect Sharon Council and Tony Grillo as Directors—**Exhibit 1b**, (iii) Minutes of Special Meeting of Members on July 9, 2021 to elect Sara Miceli as a Director—**Exhibit 1c**, and (iv) Minutes of Special Meeting of Members on August 27, 2021 to elect Erik Mjoen to replace Linda Stouffer Wallis as Director, and to reelect Alex Monroe, Luke Ervin and Erik Mjoen as Directors with terms expiring June 30, 2025, including current Schedule of Director’s terms—**Exhibit 1d**.
2. The Board reviewed, and had no objections to, or questions about, **Exhibit 2a** which is a June 30, 2021 Balance Sheet for the Foundation, or **Exhibit 2b** which is a 2020-21 Summary of Income and Expense for the Foundation.
3. The Board reviewed, and had no objections to, or questions about, a Recap of Avenues of Service (“AOS”) expenditures by the Club which were prepared by Sharon Council, summarized by Youth Service Year End 2020-2010—**Exhibit 3a**, Community Service Year End— **Exhibit 3b**, Vocational Year End 2020-2021—**Exhibit 3c**, and ISC Year End 2020-2021—**Exhibit 3d**.
4. The Board reviewed, and had no objections to, or questions about, **Exhibit 4** which is the Profit and Loss Detail for Scholar and Program Expenses 2020-21.

5. The Board reviewed, and had no objections to, or questions about, **Exhibit 5** which is the Review of Category Balances for the Foundation as of June 30, 2021.
6. The Board reviewed, and had no objections to, or questions about, **Exhibit 6** which is the Review of Contributions of \$5,000 or more to the Foundation for 2020-21.
7. Review of June 30, 2021 Contributions by Club Members to the Foundation for 2020-21  
**Exhibit 7 Steve**
8. The Board reviewed, and had no objections to, or questions about, **Exhibit 8** which is the Review of approved funding for 2020-21 Club Avenues of Service.
9. The Board reviewed, and had no objections to, or questions about, **Exhibit 9** which is the San Diego Foundation June 30, 2020 Statement.
10. M/S/C that all email votes by the Board in the prior year were formally ratified and approved, including but not limited to those email votes specified on **Exhibit 10**.
11. The Board reviewed, and had no objections to, or questions about, the engagement letter between the Foundation and F C Payroll & Accounting illustrated by **Exhibit 11**.
12. President Steve Brown provided an update on the Baumgartner Charitable Remainder Uni-Trust value which had a \$5,668,429 as of Sept. 22, 2021. The Foundation has 20% interest in principal upon termination date to vest in October 2031.
13. Old Business. None.
14. New Business:
  - a. Email Votes. Eric reminded the Board that the email votes (see Exhibit 10) are not consistent with California law, and best practices would require a meeting for each vote. The Board agreed that given the de minimis nature of most email votes, we would continue with the email votes and annual ratification process we currently utilize. Eric agreed that in the event of a non de minimis vote, he would call for a meeting.
  - b. Copley Foundation Grant for 2022. Eric provided update on David C. Copley Foundation support for Club Work Project for the San Diego Police Department Northeastern Division scheduled for March 26, 2022.
  - c. Afghan Resettlement. Steve provided an update on Foundation support for Afghan Resettlement efforts and creation of LJGTRC Working Group for Afghan Resettlement efforts composed of Steve Brown, Luke, Sharon and Matt Shillingburg.
  - d. New Funding Process for Donations by Club Members. Steve lead the Board in a lengthy discussion regarding a new funding process whereby funds being contributed by Club members directly to The Rotary Foundation (“TRF”) instead be contributed to the Club Foundation and then be allocated in such a way to accommodate supporting both the members donations to TRF and also be able to support a club sponsored global grant perhaps annually. Exhibit A attached hereto contains background on this concept. At the end of this spirited discussion, the following motion was M/S/C:

**The Club Foundation Board approves and recommends the Club Board approve working with club members making contributions to The Rotary Foundation so that club members' collective contributions to the Annual Fund equal or exceed an annual average of \$100 per club member with the balance collected and designated for the Rotary Foundation to later be paid to the Rotary Foundation to support approved Global Grants. Tax receipts will be issued upon receipt of funds by the club foundation and Paul Harris credit will continued to be provided to club members for their contributions designated for the Rotary Foundation whether the contributions are allocated towards the Annual Fund or a Global Grant. All club member remains entitled to have their contributions allocated according to the personal desires.**

- e. Future Strategic Issues. The entire Board had a lengthy discussion involving the future strategic issues based upon Exhibit B attached hereto. The Board agreed to meet more frequently and perhaps quarterly starting in 2022 to implement these new action items and ideas.

There being no further business, the meeting was adjourned at 5:52 PM.

Submitted by:



Eric O. Freeberg  
Secretary  
December 16, 2021

These minutes were approved by the necessary vote of the Board of Directors as of December \_\_\_\_, 2021.

Submitted by:



Eric O. Freeberg  
Secretary  
December \_\_\_\_, 2021

## **EXHIBIT A**

**1. Foundation Board has been requested to support the following concept in order to allow our Club to be able to support a new Global Grant annually in the amount of \$30,000:**

Steve advises that our club's International Service Committee would be able to support a new Global Grant each year in the amount of \$30,000 without additional financial contributions from club members to The Rotary Foundation (TRF) beyond that which has traditionally collectively been contributed. This can be accomplished with some Rotarian's funds earmarked to be contributed to TRF be paid first to the club foundation and later distributed by the club foundation to TRF when a global grant is approved. Rotarians so contributing will receive Paul Harris credit and will receive a tax receipt from our club foundation upon receipt of their funds by our club foundation. The ISC approved recommending to the club foundation board and the club board that funds being contributed to TRF be allocated in such a way to accommodate supporting a club sponsored global grant annually.

Regarding TRF allocations to accomplish this:

- See Global Grants 2.0 document
- Need Club Board approval
- Use Club Foundation General Account to hold and transfer funds to TRF
- Need cooperation of club members donating to TRF

After discussion, we will call for approval of a motion to approve this concept.

Proposed Motion for consideration by the Board:

The Club Foundation Board approves and recommends the Club Board approve working with club members making contributions to The Rotary Foundation so that club members' collective contributions to the Annual Fund equal or exceed an annual average of \$100 per club member with the balance collected and designated for the Rotary Foundation to later be paid to the Rotary Foundation to support approved Global Grants. Tax receipts will be issued upon receipt of funds by the club foundation and Paul Harris credit will continued to be provided to club members for their contributions designated for the Rotary Foundation whether the contributions are allocated towards the Annual Fund or a Global Grant. All club member remains entitled to have their contributions allocated according the personal desires.

## **EXHIBIT B**

### **FUTURE STRATEGIC ISSUES TO BE DISCUSSED AND CONSIDERED BY THE BOARD**

#### **1. FINANCIAL STRUCTURE**

- i. General Account.
  - a. Endowment at San Diego Foundation corpus \$600,000+-- generates about \$22,000 annually; (We do not own corpus and it cannot be invaded.).
  - b. Funds for next year's projects-generally small contributions.
  - c. Club approves all expenditures from the General Account
- ii. Special Projects.
  - a. TRF grants.
  - b. Outside grants (Non TRF) for identified projects.
  - c. Holding funds for timing issues.

#### **2 LEADERSHIP AND LEADERSHIP TRANSITIONS.**

- a. Steve term ends June 30, 2023- Alex to be President; Steve to be Advisor to Board
- b. Eric F term ends June 30, 2023. Sarah to be Assistant Secretary now and as of July 1, 2023 Foundation Secretary.
- c. Erik-webmaster-new position
- d. Luke is Treasurer and will remain.
- e. Moving forward we will have more frequent meetings and all directors are encouraged to continually ask ourselves is there a better way to do any of our tasks? In particular our new directors are encouraged to suggest new ways of doing our job as the future fiduciary custodians of the Foundation.

#### **4- BACK OFFICE IMPROVEMENTS THAT NEED TO BE CONSIDERED BY WORKING GROUPS COMPOSED OF THE DIRECTORS TO BRING BACK RECOMMENDATIONS TO THE BOARD FOR FUTURE IMPLEMENTATION. HIGH LEVEL DISCUSSION ONLY AT THIS MEETING**

- a. Ongoing review and revisions to the Operations Manual.
- b. Annual development and administration of Funding Agreement between Club and Foundation and adjustments to AOS based upon reallocations during the year.
- c. Website Improvements.
  - i. Determine purpose of website—audiences intended
  - ii. Review design of website-consider revisions.
  - iii. Interaction between foundation webmaster and club external webmaster
  - iv. Review Online giving platforms available
  - v. What portions should be password protected
  - vi. Arrange for appropriate backup system of website
- d. Foundation Membership. What should be the requirements for membership in the Foundation beyond being a member of the Club in good standing?
- e. Foundation Board membership. Guidelines for qualifications for foundation board membership
- f. Communication between the Foundation Board and Club Board—monthly reporting of funds collected and funds available for next Rotary year

g. Better communication between the Foundation Board and club members with club board support.

i. Future promotions to include:

- a. Annual giving to club foundation.
- b. Outside donations other than sponsorships.
- c. Giving to endowment primarily through estate planning.
- d. Devising plan for sponsorships independent of club fundraiser
- e. promotion of on-line giving including recurring giving

h. Donations to the Foundation.

- i. Consider recognition levels for Club members for different tiers and for bequests
- ii. Encourage estate planning bequests and significant gifts to the Foundation endowment.
- iii. Outside donors giving to the Foundation.
- iv. Recurring donations to the Foundation similar to Rotary Direct
- v. Club sponsorships
- vi. Grants from third parties

i. Coordination of promotions of giving to TRF and giving to club foundation

5. **Considerations for the Club members for how to best take advantage of the Foundation** (Note. Our fundraisers traditionally primarily just recirculate club members funds and some members do not like the work involved.)

i. Endowment generates about \$22,000 annually and typically has been increasing

ii. \$300 per member X 85 members would generate \$25,500 annually.

iii. Seek sponsorships without fundraiser: e.g. Citizens Business Bank \$5,000 may be recurring.

iv. Avenues spend about \$50,000 annually.

v. Above amounts total \$52,500.

**vi. Approximately \$13,000 is still needed for next year (exclusive of auction proceeds)**

vii. Avenues of Service should consider seeking grants for specific humanitarian and educational projects from sources in addition to The Rotary Foundation.

vii. Club dues should cover club operational expenses