MINUTES OF THE
LA JOLLA GOLDEN TRIANGLE ROTARY CLUB FOUNDATION
ANNUAL BOARD OF DIRECTORS MEETING ON
October 18, 2000
7:30 a.m.
Braille Institute

PRESENT:	Steve Brown	Chairman
	Carl Lower	Vice President
	Eric O. Freeberg	Secretary
	Peggy Martin	Treasurer
	John Stephen	Director
	Bruce Geier	Director
ABSENT:	Rick Clark	Director
GUESTS:	Bonnie Brunner	Club President
	Jim Davies	Club President Elect
	Mike Schwartz	Club Treasurer
	Don Hoover	Club President Elect Elect

Meeting was called to order by Chairman Brown at 7:40 a.m.

1. M/S/C to approve the Foundation's receipt, involvement, and issuance of checks for the Mozambique Flood Relief, Eritrea, and the Bosco Boys Project.

2. M/S/C for Steve Brown and Peggy Martin to meet with Fred Vandeveer of Luce, Forward, Hamilton & Scripps to review our Foundation processes, procedures and projects to insure 501(c)(3) compliance.

3. Secretary Freeberg reported that the Minutes of the November 19, 1999 meeting were previously approved via fax by unanimous vote of the Board.

4. The Board had a lengthy discussion of the Foundation and Club budgetary processes. In July our Foundation tells the Club President what we anticipate our annual contribution to Club projects will be, which has been $7,500 this year. The Club Board of Directors requests the committees to prepare tentative budgets, and the Board approves them. The Club holds its Cheers for Charity event and totals net proceeds. Once the total is available, the Board approves final budgets for the committees. Consistent with our intended contribution amount, our Foundation determines what we want to fund out of the various committee budgets, and we advise the Club Board of Directors of our decisions. Chairman Brown explained that the purpose of our Foundation was to make the principal of the Endowment Fund unavailable to our Foundation Board or the Club in perpetuity. Therefore, all Endowment designated monies are annually contributed to San Diego Foundation. The intent is for the Board of our Foundation to utilize the return on the corpus for purposes of funding 501(c)(3) compliant projects.

5. M/S/C to approve the June 30, 2000 Balance Sheet (Exhibit 2 to Agenda).

6. M/S/C to approve the Avenues of Service expenditures for 1999-2000 (Exhibit 3 to Agenda). It was M/S/C to require a new form for committee chairs to sign for all requests for expenditures from our Foundation. The form will specify our Foundation budget, and if there is a deviation from the budget the chairperson must certify one or both of the following:

a. That the committee has approved of the deviation.

b. If the deviation is in excess of $250, the Board of Directors of the La Jolla Golden Triangle Rotary Club has approved of the deviation.

7. The Board reviewed and approved the Foundation checks written and deposits made for 1999-2000 (Exhibit 4 to Agenda). It was noted that Page 3 of Exhibit 4 has a typographical error when it states "Opening Balance 7/1/2000" which should read "Opening Balance 7/1/99."

8. The Board reviewed the status of Members in our local Foundation and status of Paul Harris Fellows working on membership in our Foundation (Exhibit 5 to Agenda). Chairman Brown pointed out that the Bylaws and Articles of our Foundation are inconsistent with what we had assumed them to be. Our Foundation had always assumed that our club members could be a member of the Foundation once they were a club member, a Paul Harris Fellow, and had contributed at least $500 to our Foundation. However, it has been discovered by Mil Phillips that the Articles and Bylaws allow anyone to be a Foundation member if they are a club member, a Paul Harris sustaining member (not Paul Harris Fellow), and had contributed at least $500 to our Foundation. M/S/C to amend our Foundation Articles and Bylaws to require Paul Harris Fellowship in order to be a Foundation member. Secretary Freeberg to prepare appropriate ballots for a vote by our Foundation members.

9. The Board reviewed the Life to Date compilation regarding our local Foundation and the International Foundation (Exhibit 6 to Agenda).

10. The Board reviewed Statement from the San Diego Foundation (Exhibit 7 to Agenda).

11. The Board reviewed the recommendations for grants for Avenues of Service Committees for 1999-2000 (Exhibit 8 to Agenda), and upon motion duly made, seconded and unanimously approved the recommendations with the following changes:

Deletions:	Vocational Service	Yellow Ribbon	$1,000
Additions:	Vocational Service	Yellow Ribbon	$ 600
		UCHS Strive	$ 400

These changes are reflected in the revised Exhibit 8 which is attached hereto.

12. The Board reviewed the Report on election of Officers and Directors (Exhibit 9 to Agenda). Secretary Freeberg to prepare and distribute ballots for Foundation members to approve this slate of officers and directors and their respective terms.

13. The Board discussed the 1999-2000 tax returns and thanked Emidio Del Conte for his good work.

14. Chairman Brown provided the following report regarding the Baumgartner request to our Foundation:

> On October 17, 2000 I talked with Mr. John Boncada (609-627-4253) who is a trust officer at Merrill Lynch handling the Baumgartner Charitable Remainder Trust. Mr. John Robert Baumgartner was Frank McGrath's father-in-law who died at the end of September. His trust provided that the La Jolla Golden Triangle Rotary Club foundation is to be a remainder beneficiary for the lesser of $2,000,000 or 20% of the estate at the time of distribution to the remainder beneficiaries. There are four other remainder beneficiaries each having a similar distribution. As of the date of death, the trust assets are approximately $9,500,000 in value. The excess amount, if any over the $2,000,000, will go to the American Red Cross which is one of the other remainder beneficiaries.
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> The trust provides that lifetime beneficiaries will receive income for their lives but no longer than 20 years following the death of the widow. The widow is presently 88 years old. The longest lifetime beneficiary was born in 1950.
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> So from the practical standpoint, our foundation probably will receive the sum of $2,000,000 20 years following the death of the widow. The trust provides that the widow retains the right to change the remainder beneficiaries. Frank McGrath believes it is very unlikely the widow will make any changes.
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> The estate attorney is David Watkins (954)776-6237.
>
> Another Merrill Lynch contact is Ms. Gida (954)713-6250.

15. The Board thanked Chairman Brown and Treasurer Martin for their good work throughout the year.

There being no further business, the meeting was adjourned at 9:10 a.m.

Submitted by:

Eric O. Freeberg
Secretary
October 18, 2000